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Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Persistent Systems Limited

Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of Persistent Systems Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates for the year ended 31 March 2021, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiaries as referred to in paragraph 12 below, the Statement:
 - (i) includes the annual financial results of the entities listed in Annexure 1;
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations and
 - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group and its associates, for the year ended 31 March 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Statement section of our report*. We are independent of the Group and its associates, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and that obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Persistent Systems Limited

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Responsibilities of Management and Those Charged with Governance for the Statement

4. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group and its associates, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and its associates, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
5. In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associates, are responsible for assessing the ability of the Group and of its associates, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors of the companies included in the Group and of its associates, are responsible for overseeing the financial reporting process of the companies included in the Group and of its associates.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
8. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

Persistent Systems Limited

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, and its associates, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
9. We communicate with those charged with governance of the Holding Company and such other entities included in the Statement, of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
11. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matter(s)

12. We did not audit the annual financial statements of Twenty subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 4,631.34 million as at 31 March 2021, total revenues of ₹ 5,140.16 Million, total net profit after tax of ₹ 279.63 Million, total comprehensive income of ₹ 291.87 Million, and cash flows (net) of ₹ 7.87 Million for the year ended 31 March 2021, as considered in the Statement. These annual financial statements have been audited by other auditors and whose audit reports has been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 3 above.

Our opinion is not modified in respect of this matters with respect to our reliance on the work done by and the reports of the other auditors.

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13. The Statement also includes the Group's share of net profit after tax of ₹ Nil, and total comprehensive income of ₹ Nil for the year ended 31 March 2021, in respect of one associate, based on their annual financial statements, which have not been audited by their auditors. These financial statements have been furnished to us by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of aforesaid associates, is based solely on such unaudited financial statements. In our opinion, and according to the information and explanations given to us by the management, these financial statements.

Our opinion is not modified in respect of this matters with respect to our reliance on the financial statements certified by the Board of Directors.

14. The Statement includes the consolidated financial results for the quarter ended 31 March 2021, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published audited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to audit by us.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

SHASHI

TADWALKAR

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SHASHI TADWALKAR

Date: 2021.04.29

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Shashi Tadwalkar

Partner

Membership No:101797

UDIN:21101797AAAAAU3480

Place: Pune

Date: 29 April 2021

Persistent Systems Limited
Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to
the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
(as amended)

Annexure 1

List of entities included in the Statement

Sr. No.	Name of Entity	Relationship
1	Persistent Systems Limited (PSL)	Holding Company
2	Persistent Systems, Inc. (PSI)	Wholly owned subsidiary of PSL
3	Persistent Systems Pte Ltd.	Wholly owned subsidiary of PSL
4	Persistent Systems France SAS	Wholly owned subsidiary of PSL
5	Persistent Systems Malaysia Sdn. Bhd.	Wholly owned subsidiary of PSL
6	Persistent Systems Germany GmbH (PSGG)	Wholly owned subsidiary of PSL
7	Persistent Telecom Solutions Inc.	Wholly owned subsidiary of PSI
8	Valista Limited (VL) (Dissolved w.e.f. 24 June 2020)	Wholly owned subsidiary of AGL
9	Aepona Group Limited (AGL)	Wholly owned subsidiary of PSI
10	Aepona Limited	Wholly owned subsidiary of AGL
11	Youperience GmbH (YGmbH)	Wholly owned subsidiary of PSGG
12	Youperience Limited	Wholly owned subsidiary of YGmbH
13	Persistent Systems Lanka (Private) Limited	Wholly owned subsidiary of AGL
14	Persistent Systems Mexico, S.A. de C.V.	Wholly owned subsidiary of PSI
15	Persistent Systems Israel Ltd	Wholly owned subsidiary of PSI
16	PARX Werk AG	Wholly owned subsidiary of PSGG
17	PARX Consulting GmbH	Wholly owned subsidiary of PARX Werk AG
18	Capiot Software Private Limited (Acquired w.e.f. October 29, 2020)	Wholly owned subsidiary of PSL
19	Capiot Software Inc. (Capiot US) (Acquired w.e.f. November 7, 2020)	Wholly owned subsidiary of PSI
20	Capiot Software Pty Limited (Acquired w.e.f. November 7, 2020)	Wholly owned subsidiary of Capiot US
21	Capiot Software Pte Limited (Acquired w.e.f. November 7, 2020)	Wholly owned subsidiary of Capiot US
22	Persistent Systems SRL (incorporated on March 23, 2021)	Wholly owned subsidiary of PSI
23	Klisma e-Services Private Limited	Associate Company of PSL

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Persistent Systems Limited

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Audited consolidated financial results of Persistent Systems Limited for the quarter and year ended March 31, 2021

in ₹ Million

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2021 (Audited)	December 31, 2020 (Audited)	March 31, 2020 (Audited)	March 31, 2021 (Audited)	March 31, 2020 (Audited)
	Income					
1	Revenue from operations (net)	11,133.58	10,753.98	9,263.65	41,878.88	35,658.08
2	Other income	400.36	300.12	293.20	1,077.72	1,323.77
3	Total income	11,533.94	11,054.10	9,556.85	42,956.60	36,981.85
4	Expenses					
	- Employee benefits expense	6,853.90	6,422.18	5,675.97	25,157.99	21,556.40
	- Cost of professionals	1,543.13	1,318.68	1,163.23	5,563.68	3,918.94
	- Finance costs	15.83	13.75	11.68	57.94	63.32
	- Depreciation and amortization expense	419.05	461.05	419.80	1,755.50	1,659.62
	- Other expenses	853.25	1,188.34	1,155.74	4,327.06	5,260.15
	Total Expenses	9,685.16	9,404.00	8,426.42	36,862.17	32,458.43
5	Profit before exceptional items and tax	1,848.78	1,650.10	1,130.43	6,094.43	4,523.42
6	Exceptional items	-	-	-	-	-
7	Profit before tax	1,848.78	1,650.10	1,130.43	6,094.43	4,523.42
8	Tax expense					
	- Current tax	495.67	411.41	366.06	1,774.01	1,354.70
	- Tax charge / (credit) in respect of earlier	3.68	(0.53)	6.58	10.58	52.55
	- Deferred tax charge / (credit)	(28.16)	29.98	(80.42)	(196.93)	(286.72)
	Total tax expense	471.19	440.86	292.22	1,587.66	1,120.53
9	Profit for the period / year	1,377.59	1,209.24	838.21	4,506.77	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)	24.52	(32.22)	2.37	10.25	(34.80)
		24.52	(32.22)	2.37	10.25	(34.80)
	B. Items that may be reclassified to profit and loss					
	- Effective portion of cash flow hedge (net of tax)	(53.45)	96.00	(250.14)	383.54	(429.15)
	- Exchange differences in translating the financial statements of foreign operations	120.35	314.59	369.96	(20.07)	323.15
		66.90	410.59	119.82	363.47	(106.00)
	Total other comprehensive income for the period / year	91.42	378.37	122.19	373.72	(140.80)
11	Total comprehensive income for the period / year (Comprising Profit / (Loss) and Other Comprehensive Income for the period / year)	1,469.01	1,587.61	960.40	4,880.49	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
13	Other equity excluding revaluation reserves					23,093.30
14	Earnings per equity share in ₹ (Face value of share ₹ 10 each)					
	- Basic	18.03	15.82	10.97	58.97	44.38
	- Diluted	18.03	15.82	10.97	58.97	44.38
15	Dividend per share (in ₹) (Nominal value per share ₹ 10)					
	Interim dividend	-	14.00	3.00	14.00	12.00
	Final dividend	6.00	-	-	6.00	-
	Total dividend	6.00	14.00	3.00	20.00	12.00

Audited consolidated statement of assets and liabilities

in ₹ Million

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
ASSETS		
Non-current assets		
Property, Plant and Equipment	2,401.40	2,224.60
Capital work-in-progress	121.81	166.18
Right- of- use assets	852.58	566.81
Goodwill	85.94	88.94
Other Intangible assets	1,229.50	1,434.93
Intangible assets under development	-	137.20
Financial assets		
- Investments	3,621.27	4,620.97
- Loans	134.76	176.13
-Other non-current financial assets	25.76	358.93
Deferred tax assets (net)	1,037.57	960.08
Other non-current assets	441.52	331.31
Total non-current assets	9,952.11	11,066.08
Current assets		
Financial assets		
- Investments	6,374.95	5,164.77
- Trade receivables (net)	5,708.97	5,921.96
- Cash and cash equivalents	2,419.30	1,899.99
- Other bank balances	7,389.70	2,672.19
- Loans	71.26	13.71
- Other current financial assets	2,467.23	2,068.54
Current tax assets (net)	188.00	163.93
Other current assets	2,083.72	1,950.52
Total current assets	26,703.13	19,855.61
TOTAL ASSETS	36,655.24	30,921.69
EQUITY AND LIABILITIES		
Equity		
Equity share capital	764.25	764.25
Other equity	27,192.41	23,093.30
Total Equity	27,956.66	23,857.55
Liabilities		
Non- current liabilities		
Financial liabilities		
- Lease liabilities	716.17	353.36
- Borrowings	44.27	46.22
Provisions	240.94	182.79
Total Non- current liabilities	1,001.38	582.37
Current liabilities		
Financial liabilities		
- Lease liabilities	222.00	309.06
- Trade payables	2,733.44	2,247.09
- Other financial liabilities	390.17	862.34
Other current liabilities	1,514.95	1,320.13
Provisions	2,477.79	1,610.99
Current tax liabilities (net)	358.85	132.16
Total current liabilities	7,697.20	6,481.77
TOTAL EQUITY AND LIABILITIES	36,655.24	30,921.69

Audited unconsolidated financial information

in ₹ Million

Particulars	Quarter ended			Year ended	
	March 31, 2021 (Audited)	December 31, 2020 (Audited)	March 31, 2020 (Audited)	March 31, 2021 (Audited)	March 31, 2020 (Audited)
Revenue from operations (net)	6,846.58	6,426.34	5,661.39	24,796.08	21,081.22
Profit before tax	1,900.96	1,609.47	1,664.21	6,680.20	5,329.06
Profit after tax	1,400.72	1,259.03	1,274.82	5,050.86	4,077.23

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 / year's classification.

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

in ₹ Million

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2021 (Audited)	December 31, 2020 (Audited)	March 31, 2020 (Audited)	March 31, 2021 (Audited)	March 31, 2020 (Audited)
1	Segment revenue					
	- BFSI	3,328.54	3,158.04	2,888.34	12,857.05	10,506.77
	- Healthcare & Life Sciences	2,150.23	2,054.64	1,776.78	8,104.24	6,719.15
	- Technology Companies and Emerging Verticals	5,654.81	5,541.30	4,598.53	20,917.59	18,432.16
	Total	11,133.58	10,753.98	9,263.65	41,878.88	35,658.08
2	Less: Inter segment revenue	-	-	-	-	-
3	Net sales/income from operations	11,133.58	10,753.98	9,263.65	41,878.88	35,658.08
4	Segment results i.e. profit/ (loss) before tax, interest and depreciation and amortization					
	- BFSI	1,251.66	1,360.54	1,048.84	4,818.38	3,598.15
	- Healthcare & Life Sciences	1,046.96	1,108.67	785.74	3,982.47	2,900.18
	- Technology Companies and Emerging Verticals	1,622.56	1,484.09	1,571.64	6,449.40	6,418.19
	Total	3,921.18	3,953.30	3,406.22	15,250.25	12,916.52
5	Less:					
	- Finance costs	15.83	13.75	11.68	57.94	63.32
	- Other un-allocable expenses	2,456.93	2,589.57	2,557.31	10,175.60	9,653.55
6	Un-allocable income	400.36	300.12	293.20	1,077.72	1,323.77
7	Profit before tax	1,848.78	1,650.10	1,130.43	6,094.43	4,523.42
8	Segment assets					
					As on	
					March 31, 2021 (Audited)	March 31, 2020 (Audited)
	- BFSI				1,950.45	2,227.74
	- Healthcare & Life Sciences				1,525.69	1,614.60
	- Technology Companies and Emerging Verticals				4,405.60	4,148.16
	Total allocable segment assets				7,881.74	7,990.50
	Unallocable assets				28,773.50	22,931.19
	Total assets				36,655.24	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 among 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, 2021, have been approved by the Board of Directors at its meeting held on April 29, 2021, and as recommended by the Audit Committee at its meeting held on April 28, 2021. The statutory auditors have expressed an unqualified audit opinion. The information presented above is extracted from the audited condensed consolidated financial statements.
- 2 The Board of Directors at its meeting held in January 2021 had approved payment of Interim Dividend of ₹ 14 per Equity Share of ₹ 10 each for FY 2020-21. Accordingly, during February 2021, ₹ 985,238,750 (after Tax Deducted at Source) were paid towards the above Dividend and ₹ 84,711,250 towards Tax Deducted at Source.
- 3 The Board of Directors at its meeting held on April 29, 2021, recommended Final Dividend of ₹ 6 per share for the Financial Year 2020-21. This Final Dividend is subject to the approval of Members at the ensuing 31st Annual General Meeting which will be held on or before September 30, 2021.
- 4 Persistent Systems Inc., USA, the wholly owned subsidiary of the Company formed Persistent Systems S.r.l., Italy on March 23, 2021.
- 5 The Group has considered the possible effects that may result from COVID-19 in the preparation of these condensed 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 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 consolidated financial statements.
- 6 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.
- 7 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
April 29, 2021

Persistent Systems Limited**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

	For the year ended	
	March 31, 2021 In ₹ Million	March 31, 2020 In ₹ Million
Cash flow from operating activities		
Profit before tax	6,094.43	4,523.42
Adjustments for:		
Interest income	(558.70)	(545.28)
Finance costs	57.94	63.32
Dividend income	-	(13.98)
Depreciation and amortization expense	1,755.50	1,659.62
Unrealised exchange loss / (gain) (net)	139.55	(131.29)
Change in foreign currency translation reserve	(42.32)	119.30
Exchange (gain) / loss on derivative contracts	(169.80)	58.51
Exchange loss / (gain) on translation of foreign currency cash and cash equivalents	11.50	(46.77)
Bad debts	90.30	-
Provision for expected credit loss	31.32	83.86
Employee stock compensation expenses	290.44	236.79
Provision for doubtful deposits and advances	-	248.48
Impairment of loan	23.96	-
Provision for diminution in value of investments	18.53	-
Remeasurements of the defined benefit liabilities / asset (before tax effects)	10.25	(46.14)
Excess provision in respect of earlier periods / years (written back)	(41.79)	(6.95)
Loss / (Gain) on fair valuation of assets designated at FVTPL	131.39	(119.02)
Profit on sale of investments (net)	(478.13)	(164.81)
(Profit) / Loss on sale of Property, plant and equipment (net)	(1.34)	5.96
Operating profit before working capital changes	7,363.03	5,925.02
Movements in working capital :		
(Increase) / Decrease in non-current and current loans	(40.03)	(14.44)
Increase in other non current assets	(76.81)	(235.30)
Increase in other current financial assets	(104.23)	(232.15)
Decrease / (Increase) in other current assets	58.26	(559.10)
Decrease / (Increase) in trade receivables	58.49	(894.77)
Decrease in trade payables, current liabilities and non current liabilities	757.56	1,000.26
Increase / (Decrease) in provisions	924.95	(145.37)
Operating profit after working capital changes	8,941.22	4,844.15
Direct taxes paid (net of refunds)	(1,581.97)	(1,328.27)
Net cash generated from operating activities	(A) 7,359.25	3,515.88
Cash flows from investing activities		
Payment towards capital expenditure (including intangible assets)	(1,281.04)	(758.39)
Proceeds from sale of property, plant and equipment	30.02	12.68
Acquisition of step-down subsidiary including cash and cash equivalents of ₹ 30.90 million (Previous year : ₹ 37.35 million)	(448.47)	(435.48)
Purchase of bonds	(712.18)	(901.61)
Proceeds from sale/ maturity of bonds	350.53	819.87
Proceeds from sale of non-current investments	-	25.22
Investments in mutual funds	(24,591.91)	(19,456.95)
Proceeds from sale / maturity of mutual funds	25,068.92	17,670.49
(Investments) / maturity of bank deposits having original maturity over three months	(4,198.89)	2,108.15
Maturity of deposits with financial institutions	-	250.00
Interest received	366.29	503.60
Dividends received	-	13.98
Net cash (used in)/ generated from investing activities	(B) (5,416.73)	(148.44)
Cash flows from financing activities		
Repayment of long term borrowings	(4.54)	(4.62)
Payment of lease liabilities	(319.11)	(287.70)
Shares bought back	-	(1,677.01)
Loan received as a part of COVID-19 relief measures	-	39.14
Specific project related grant received	9.00	3.00
Interest paid	(58.01)	(63.31)
Dividends paid	(1,069.95)	(1,146.38)
Tax on dividend paid	-	(154.14)
Net cash (used in) financing activities	(C) (1,442.61)	(3,291.02)

Persistent Systems Limited**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

	For the year ended	
	March 31, 2021	March 31, 2020
	In ₹ Million	In ₹ Million
Net (decrease) / increase in cash and cash equivalents (A + B + C)	499.91	76.42
Cash and cash equivalents at the beginning of the year	1,899.99	1,739.45
Cash and cash equivalents acquired on acquisition	30.90	37.35
Effect of exchange difference on translation of foreign currency cash and cash equivalents	(11.50)	46.77
Cash and cash equivalents at the end of the year	2,419.30	1,899.99
Components of cash and cash equivalents		
Cash on hand	0.41	0.24
Balances with banks		
On current accounts #	1,583.20	1,566.06
On saving accounts	1.33	0.36
On Exchange Earner's Foreign Currency accounts	208.57	261.86
On deposit accounts with original maturity less than three months	625.79	71.47
Cash and cash equivalents	2,419.30	1,899.99

Out of the cash and cash equivalent balance as at March 31, 2021, the Group can utilise ₹ 154.39 Million (Previous year: ₹ 6.62 Million) only towards certain predefined activities specified in the agreement.