

## Persistent Systems Limited

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### Audited consolidated financial results of Persistent Systems Limited for the quarter and half year ended September 30, 2021

In ₹ Million

Sr. No.	Particulars	Quarter ended		Half year ended		Year ended	
		Sept 30, 2021	June 30, 2021	Sept 30, 2020	Sept 30, 2020	Sept 30, 2020	March 31, 2021
<b>Income</b>							
1	Revenue from operations (net)	13,512.49	12,299.26	10,077.47	25,811.75	19,991.32	41,878.88
2	Other income	324.15	388.03	164.97	712.18	377.24	1,077.72
3	<b>Total income</b>	<b>13,836.64</b>	<b>12,687.29</b>	<b>10,242.44</b>	<b>26,523.93</b>	<b>20,368.56</b>	<b>42,956.60</b>
<b>Expenses</b>							
4	- Employee benefits expense	8,092.37	7,323.69	6,096.84	15,416.06	11,881.91	25,157.99
	- Cost of professionals	1,999.54	1,804.25	1,351.40	3,803.79	2,701.87	5,563.68
	- Finance costs	20.94	22.62	14.20	43.56	28.36	57.94
	- Depreciation and amortization expense	370.83	350.09	439.79	720.92	875.40	1,755.50
	- Other expenses	1,176.64	1,156.12	965.10	2,332.76	2,285.47	4,327.06
	<b>Total Expenses</b>	<b>11,666.32</b>	<b>10,656.77</b>	<b>8,867.33</b>	<b>22,319.09</b>	<b>17,773.01</b>	<b>36,862.17</b>
5	<b>Profit before exceptional items and tax</b>	<b>2,170.32</b>	<b>2,030.52</b>	<b>1,375.11</b>	<b>4,206.84</b>	<b>2,595.55</b>	<b>6,094.43</b>
6	Exceptional items	-	-	-	-	-	-
7	<b>Profit before tax</b>	<b>2,170.32</b>	<b>2,030.52</b>	<b>1,375.11</b>	<b>4,206.84</b>	<b>2,595.55</b>	<b>6,094.43</b>
8	<b>Tax expense</b>	-	-	-	-	-	-
	- Current tax	538.63	547.36	436.17	1,085.99	866.93	1,774.01
	- Tax charge / (credit) in respect of earlier years / periods	(3.88)	(13.73)	(0.87)	(17.61)	7.43	10.58
	- Deferred tax charge / (credit)	24.04	(15.59)	(80.05)	8.45	(198.75)	(196.93)
	<b>Total tax expense</b>	<b>558.79</b>	<b>518.04</b>	<b>355.25</b>	<b>1,076.83</b>	<b>675.61</b>	<b>1,587.66</b>
9	<b>Profit for the period / year</b>	<b>1,611.53</b>	<b>1,512.48</b>	<b>1,019.86</b>	<b>3,130.01</b>	<b>1,919.94</b>	<b>4,506.77</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)	(38.37)	(61.72)	8.71	(100.09)	17.95	10.25
	<b>B. Items that may be reclassified to profit and loss</b>	-	-	-	-	-	-
	- Effective portion of cash flow hedge (net of tax)	22.11	(95.10)	191.01	(72.99)	340.99	383.54
	- Exchange differences in translating the financial statements of foreign operations	(13.58)	128.31	(532.06)	114.73	(455.01)	(20.07)
	<b>Total other comprehensive income</b>	<b>8.53</b>	<b>33.21</b>	<b>(341.05)</b>	<b>41.74</b>	<b>(114.02)</b>	<b>363.47</b>
	<b>Total other comprehensive income for the period / year</b>	<b>(29.84)</b>	<b>(28.51)</b>	<b>(332.34)</b>	<b>(58.35)</b>	<b>(96.07)</b>	<b>373.72</b>
11	<b>Total comprehensive income for the period / year (Comprising Profit / (Loss) and Other Comprehensive Income for the period / year)</b>	<b>1,581.69</b>	<b>1,483.97</b>	<b>687.52</b>	<b>3,071.66</b>	<b>1,823.87</b>	<b>4,880.49</b>
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	-	-	-	-	-	27,192.41
14	<b>Earnings per equity share in ₹ (Nominal value of share ₹ 10 each)</b>	-	-	-	-	-	-
	- Basic	21.16	19.79	13.34	40.96	25.12	58.97
	- Diluted	21.16	19.79	13.34	40.96	25.12	58.97
15	Dividend per share (in ₹) (Nominal value per share ₹ 10 each)	-	-	-	-	-	-
	Interim dividend	-	-	-	-	-	14.00
	Final dividend	-	-	-	-	-	6.00
	<b>Total dividend</b>	-	-	-	-	-	<b>20.00</b>

### Audited consolidated statement of assets and liabilities

In ₹ Million

Particulars	As at		
	Sept. 30, 2021	Sept. 30, 2020	March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2,785.17	2,194.48	2,401.40
Capital work-in-progress	7.57	24.84	121.81
Right-of-use assets	1,054.83	642.25	852.58
Goodwill	108.79	86.70	85.94
Other intangible assets	1,192.79	1,365.41	1,229.50
Financial assets	-	-	-
- Investments	3,871.73	3,882.21	3,621.27
- Loans	2,064.14	150.72	134.76
- Other non-current financial assets	41.35	143.66	25.76
Deferred tax assets (net)	1,065.25	1,031.30	1,037.57
Other non-current assets	1,513.36	324.72	441.52
<b>Total non-current assets</b>	<b>13,704.98</b>	<b>9,846.29</b>	<b>9,952.11</b>
<b>Current assets</b>			
Financial assets	-	-	-
- Investments	3,144.89	4,933.32	6,374.95
- Trade receivables (net)	6,515.21	5,776.88	5,708.97
- Cash and cash equivalents	5,176.54	1,297.50	2,419.30
- Other bank balances	6,469.83	6,675.93	7,389.70
- Loans	21.99	63.56	71.26
- Other current financial assets	3,193.00	2,151.83	2,467.23
Current tax assets (net)	283.09	165.77	188.00
Other current assets	1,851.23	1,709.39	2,083.72
<b>Total current assets</b>	<b>26,655.78</b>	<b>22,774.18</b>	<b>26,703.13</b>
<b>TOTAL ASSETS</b>	<b>40,360.76</b>	<b>32,620.47</b>	<b>36,655.24</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	764.25	764.25	764.25
Other equity	30,170.18	24,927.49	27,192.41
<b>Total Equity</b>	<b>30,934.43</b>	<b>25,691.74</b>	<b>27,956.66</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities	-	-	-
- Lease liabilities	897.95	438.24	716.17
- Borrowings	43.24	45.52	44.27
Provisions	268.22	254.12	240.94
<b>Total Non-current liabilities</b>	<b>1,209.51</b>	<b>737.88</b>	<b>1,001.38</b>
<b>Current liabilities</b>			
Financial liabilities	-	-	-
- Lease liabilities	250.96	295.84	222.00
- Trade payables	3,479.88	2,517.90	2,733.44
- Other financial liabilities	169.67	154.78	390.17
Other current liabilities	1,698.57	1,103.10	1,514.95
Provisions	2,278.68	1,793.34	2,477.79
Current tax liabilities (net)	339.06	325.89	358.85
<b>Total current liabilities</b>	<b>8,216.82</b>	<b>6,190.85</b>	<b>7,697.20</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>40,360.76</b>	<b>32,620.47</b>	<b>36,655.24</b>

### Audited unconsolidated financial information

In ₹ Million

Particulars	Quarter ended		Half year ended		Year ended
	Sept. 30, 2021	June 30, 2021	Sept. 30, 2020	Sept. 30, 2020	Sept. 30, 2020
Revenue from operations (net)	8,469.85	7,648.34	5,961.78	16,118.19	11,523.16
Profit before tax	2,078.90	2,209.87	1,594.29	4,288.77	3,169.77
Profit after tax	1,523.95	1,660.95	1,176.35	3,184.90	2,391.11

### Segment wise Revenue, Results and Capital Employed

The operating segments are:  
a. Banking, Financial Services and Insurance (BFSI)  
b. Healthcare & Life Sciences  
c. Technology Companies and Emerging Verticals

Sr. No.	Particulars	Quarter ended		Half year ended		Year ended
		Sept. 30, 2021	June 30, 2021	Sept. 30, 2020	Sept. 30, 2020	Sept. 30, 2020
1	Segment revenue	4,141.95	3,792.03	3,217.36	7,933.98	6,370.47
	- BFSI	2,868.95	2,515.76	1,941.90	5,384.71	3,899.37
	- Healthcare & Life Sciences	6,501.59	5,991.47	4,918.21	12,493.06	9,721.48
	- Technology Companies and Emerging Verticals	-	-	-	-	-
	<b>Total</b>	<b>13,512.49</b>	<b>12,299.26</b>	<b>10,077.47</b>	<b>25,811.75</b>	<b>19,991.32</b>
2	Less: Inter segment revenue	-	-	-	-	-
3	Net sales/income from operations	13,512.49	12,299.26	10,077.47	25,811.75	19,991.32
4	Segment results i.e. profit/ (loss) before tax, interest and depreciation and amortization	-	-	-	-	-
	- BFSI	1,564.97	1,348.25	1,157.13	2,913.22	2,206.18
	- Healthcare & Life Sciences	1,462.21	1,339.38	927.41	2,801.59	1,826.84
	- Technology Companies and Emerging Verticals	2,027.46	1,921.38	1,754.81	3,948.84	3,342.75
	<b>Total</b>	<b>5,054.64</b>	<b>4,609.01</b>	<b>3,839.35</b>	<b>9,663.65</b>	<b>7,375.77</b>
5	Less:	-	-	-	-	-
	- Finance costs	20.94	22.62	14.20	43.56	28.36
	- Other un-allocable expenses	3,181.53	2,943.90	2,615.01	6,125.43	5,129.10
6	Un-allocable income	324.15	388.03	164.97	712.18	377.24
7	<b>Profit before tax</b>	<b>2,170.32</b>	<b>2,030.52</b>	<b>1,375.11</b>	<b>4,206.84</b>	<b>2,595.55</b>

### 8 Segment assets

Particulars	As at		
	Sept. 30, 2021	Sept. 30, 2020	March 31, 2021
- BFSI	2,371.03	2,327.70	1,950.45
- Healthcare & Life Sciences	1,998.85	1,627.90	1,525.69
- Technology Companies and Emerging Verticals	5,199.29	3,838.57	4,405.60
<b>Total allocable segment assets</b>	<b>9,569.17</b>	<b>7,794.17</b>	<b>7,881.74</b>
Unallocable assets	30,791.59	24,826.30	28,773.50
<b>Total assets</b>	<b>40,360.76</b>	<b>32,620.47</b>	<b>36,655.24</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 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:

- The audited condensed interim consolidated financial statements for the quarter and half year ended September 30, 2021, have been taken on record by the Board of Directors at its meeting (Day 2 of 3) held on October 26, 2021 as recommended by the Audit Committee at its meeting held on October 25, 2021. The statutory auditors have expressed an unqualified audit opinion. The information presented above is extracted from the audited condensed interim consolidated financial statements.
- The above consolidated financial results have been prepared from the condensed interim consolidated financial statements, which are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendments issued thereafter. All amounts included in the consolidated financial results (including notes) are reported in millions of Indian rupees (in ₹ millions) except share and per share data, unless otherwise stated.
- The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- The Members of the Company at Thirty-First Annual General Meeting held on July 21, 2021 approved payment of Final Dividend of ₹ 6 per Equity Share for the Financial Year 2020-21 ("Final Dividend"). Accordingly, an amount of ₹ 458,503,678 was paid towards the Final Dividend as on September 30, 2021 out of the total dividend amount of ₹ 458,550,000. The remaining amount of ₹ 46,322 is unclaimed and the Company will make due efforts to pay the same to the respective Shareholders.
- The Nomination and Remuneration Committee of the Board of Directors, on October 7, 2021, approved grant of 1,565,315 (One Million Five Hundred and Sixty Five Thousand Three Hundred and Fifteen) Employee Stock Options (ESOPs) to its 8,747 (Eight Thousand Seven Hundred and Forty-Seven) eligible employees under Persistent Systems Limited - Employee Stock Option Plan 2017 ("ESOP 2017"). This is one of the most Inclusive ESOP grant in the Global IT Services Industry which covered approximate 80% employees of the Company.
- The Company has entered into an Asset Purchase Agreement with Three Infsoft Pvt. Ltd., India ("Three Infsoft") on September 29, 2021 to acquire its business. Along with this transaction, the Company through its wholly owned subsidiary, Persistent Systems Inc., USA, has acquired certain assets from Three Partners LLC, USA, (Three Partners) Parent company of Three Infsoft.
- Persistent Systems Inc., a wholly owned Subsidiary of the Company acquired Software Corporation International, USA and its affiliate Fusion360 LLC, USA on October 5, 2021.
- Klisma e-Services Private Limited ("Klisma"), an Associate of the Company has been dissolved w.e.f. August 10, 2021 vide dissolution order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench. The dissolution of Klisma does not have any impact on the operations of the Company.
- 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](http://www.bseindia.com)
  - National Stock Exchange of India Ltd.: [www.nseindia.com](http://www.nseindia.com)

### Audited consolidated cash flow statement for the half year ended September 30, 2021

In ₹ Million

Particulars	For the half year ended		
	Sept. 30, 2021	Sept. 30, 2020	March 31, 2021
<b>Cash flow from operating activities</b>	<b>4,206.84</b>	<b>2,595.55</b>	<b>6,094.43</b>
<b>Profit before tax</b>	<b>4,206.84</b>	<b>2,595.55</b>	<b>6,094.43</b>
Adjustments for:	-	-	-
Interest income	(254.60)	(256.86)	(558.70)
Finance costs	43.56	28.36	57.94
Depreciation and amortization expense	720.92	875.40	1,755.50
Unrealised exchange (gain)/loss (net)	(18.56)	116.66	139.55
Change in foreign currency translation reserve	66.62	(487.82)	(42.32)
Exchange loss / (gain) on derivative contracts	57.87	(66.75)	(169.80)
Exchange loss on translation of foreign currency cash and cash equivalents	3.46	18.51	11.50
Bad debts	-	-	90.30
Change in provision for expected credit loss (net)	(27.36)	105.62	31.32
Employee stock compensation expenses	364.80	107.24	290.44
Finance costs	147.68	18.74	18.53
Remeasurements of the defined benefit liabilities / asset (before tax effects)	(132.97)	27.39	10.25
Impairment of loan	-	-	23.96
Excess provision in respect of earlier years/period (written back)	(32.55)	(6.57)	(41.79)
Profit on sale / fair valuation of financial assets designated as FVTPL	(233.58)	(203.37)	(346.74)



