

NSE & BSE / 2020-21 / 12

May 5, 2020

The Manager,  
Corporate Services,  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai 400 051

The Manager,  
Corporate Services,  
Bombay Stock Exchange Limited  
14<sup>th</sup> Floor, P J Towers, Dalal Street,  
Mumbai 400 001

**Ref: Symbol: PERSISTENT**

**Ref: Scrip Code: 533179**

Dear Sir/Madam,

**Sub: Outcome of the Board Meeting held on April 23, 2020 and continued on April 24, 2020, April 25, 2020 and May 5, 2020**

Further to our intimations dated March 17, 2020, April 14, 2020 and April 23, 2020, we wish to inform that, the Board of Directors, at its meeting held through Tele-conferencing on April 23 to 25, 2020 and concluded on May 5, 2020 at 2140 HRS (IST), has *inter-alia* taken the following decisions:

**A. Approval of the Audited Financial Results for the quarter and year ended March 31, 2020**

Pursuant to Regulation 33 and all other applicable regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audited Financial Results for the quarter and year ended March 31, 2020 have been approved. Accordingly, we enclose the following documents:

1. Auditors' Report dated May 5, 2020 on the Consolidated Financial Results of the Company for the quarter and year ended March 31, 2020;
2. Consolidated Financial Results of the Company for the quarter and year ended March 31, 2020;
3. Auditors' Report dated May 5, 2020 on the Unconsolidated Financial Results of the Company for the quarter and year ended March 31, 2020;
4. Unconsolidated Financial Results of the Company for the quarter and year ended March 31, 2020

Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a declaration that the Statutory Auditors of the Company have issued an Audit Report with unmodified opinion on the Audited Financial Results of the Company (Standalone and Consolidated) for the quarter and year ended March 31, 2020 is attached for your ready reference.

**B. Final Dividend for FY 2019-20**

The Board has not recommended any Final Dividend for the FY 2019-20. Accordingly, the 2 (two) Interim Dividends paid during this Financial Year aggregating to INR 12 per Equity Share of INR 10 each are considered as the Total Dividend for the above Financial Year.

**C. Appointment of Mr. Praveen Kadle as an Additional Director (Independent Member)**

Pursuant to our intimation dated April 23, 2020, the Board has appointed Mr. Praveen Kadle as an Additional Director (Independent Member) of the Company w.e.f. April 23, 2020. The Board also recommended to seek approval of Members for appointing him as an Independent Director in the upcoming General Meeting of the Company.

Further, pursuant to the relaxation offered by the Securities and Exchange Board of India vide its circular dated March 26, 2020 for publishing the financial results in the newspaper under Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and considering the lock-down restrictions, the Company will not be publishing the same for this quarter.

Please acknowledge the receipt.

Thanking you,

Yours Sincerely,  
**For Persistent Systems Limited**

Amit Atre  
Company Secretary  
ICSI Membership No.: A20507

Encl: As above

NSE & BSE / 2020-21

May 5, 2020

The Manager,  
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The Manager,  
Corporate Services,  
Bombay Stock Exchange Limited  
14<sup>th</sup> Floor, P J Towers, Dalal Street,  
Mumbai 400 001

**Ref: Scrip Code: 533179**

Dear Sir/Madam,

**Sub.: Declaration pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In terms of the provisions of the Regulations 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Regulations'), we hereby state that the Statutory Auditors of the Company M/s. Walker Chandiok & Co LLP, Chartered Accountants (Registration No. 001076N/N500013), have issued an Audit Report with unmodified opinion on the Audited Financial Results of the Company (Standalone and Consolidated) for the quarter and year ended March 31, 2020.

Kindly take this declaration on record.

Thanking you,

Yours Sincerely,  
**For Persistent Systems Limited**

Amit Atre  
Company Secretary  
ICSI Membership No.: A20507

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**Walker Chandio & Co LLP**

16th floor, Tower II,  
Indiabulls Finance Centre,  
SB Marg, Prabhadevi (W)  
Mumbai – 400 013  
India

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**Independent Auditor's Report on Unconsolidated 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 unconsolidated annual financial results ('the Statement') of Persistent Systems Limited ('the Company') for the year ended 31 March 2020, attached herewith, being submitted by the 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, the Statement:
  - (i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, read with SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular'), and
  - (ii) 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 unconsolidated net profit after tax and other comprehensive income and other financial information of the Company for the quarter and the year ended 31 March 2020.

**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 Company 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, is sufficient and appropriate to provide a basis for our opinion.

**Persistent Systems Limited**

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

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**Management's and Those Charged with Governance Responsibilities for the Statement**

4. This Statement has been prepared on the basis of the unconsolidated annual financial statements. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including 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 including SEBI Circular. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
5. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**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 Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

## Persistent Systems Limited

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

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- Conclude on the appropriateness of the 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 Company's ability 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 Company 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.
9. We communicate with those charged with governance 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.

#### Other Matter

11. The Statement includes the financial results for the quarter ended 31 March 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.
12. The audit of unconsolidated quarterly financial results for the quarter ended 30 June 2019, included in the Statement was carried out and reported by Deloitte Haskins & Sells LLP, who have expressed unmodified opinion vide their audit report dated 25 July 2019, whose audit report has been furnished to us and which has been relied upon by us for the purpose of our audit of the Statement. Our opinion is not modified in respect of this matter.
13. The audit of unconsolidated financial results for the corresponding quarter and year ended 31 March 2019 included in the Statement was carried out and reported by Deloitte Haskins & Sells LLP, who have expressed unmodified opinion vide their audit report dated 27 April 2019, whose report has been furnished to us, and which has been relied upon by us for the purpose of our audit of the Statement. Our opinion is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**BHARAT  
KOCHU  
SHETTY**

Digitally signed by  
BHARAT KOCHU SHETTY  
Date: 2020.05.05  
21:09:34 +05'30'

**Bharat Shetty**

Partner

Membership No. 106815

**UDIN No:20106815AAAABH4091**

**Place:** Mumbai

**Date:** 05 May 2020

**Persistent Systems Limited**

Registered Office : Bhagvath, 402, Senapati Bapat Road, Pune-411016, India  
Ph. No. +91(20)67030000; Fax +91(20)67030009; Email : info@persistent.com, 'www.persistent.com'. CIN L72300PN1990PLC056696

**Audited unconsolidated 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		5,661.39	5,448.79	5,162.71	21,081.22	19,598.67
2	Other income		323.32	409.73	255.57	1,599.04	1,037.90
3	<b>Total income</b>	(1+2)	<b>5,984.71</b>	<b>5,858.52</b>	<b>5,418.28</b>	<b>22,680.26</b>	<b>20,636.57</b>
4	<b>Expenses</b>						
	- Employee benefits expense		2,944.26	2,905.94	2,468.52	11,029.06	9,491.23
	- Cost of professionals		394.63	462.30	549.06	1,825.37	2,195.21
	- Finance costs		9.71	10.69	0.12	44.51	0.51
	- Depreciation and amortization expense		136.46	140.26	114.29	555.12	458.84
	- Other expenses		835.44	1,132.57	1,324.60	3,897.14	4,107.02
	<b>Total Expenses</b>		<b>4,320.50</b>	<b>4,651.76</b>	<b>4,456.59</b>	<b>17,351.20</b>	<b>16,252.81</b>
5	<b>Profit before exceptional items and tax</b>	(3-4)	<b>1,664.21</b>	<b>1,206.76</b>	<b>961.69</b>	<b>5,329.06</b>	<b>4,383.76</b>
6	Exceptional items		-	-	-	-	-
7	<b>Profit before tax</b>	(5-6)	<b>1,664.21</b>	<b>1,206.76</b>	<b>961.69</b>	<b>5,329.06</b>	<b>4,383.76</b>
8	<b>Tax expense</b>						
	- Current tax		372.31	324.83	301.66	1,297.91	1,283.16
	- Tax charge / (credit) in respect of earlier years		-	(1.60)	15.91	(1.60)	65.00
	- Deferred tax charge / (credit)		17.08	(16.03)	(75.88)	(44.48)	(114.48)
	<b>Total tax expense</b>		<b>389.39</b>	<b>307.20</b>	<b>241.69</b>	<b>1,251.83</b>	<b>1,233.68</b>
9	<b>Profit for the period / year</b>	(7-8)	<b>1,274.82</b>	<b>899.56</b>	<b>720.00</b>	<b>4,077.23</b>	<b>3,150.08</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 asset / (liabilities) (net of tax)		3.09	0.25	4.29	(30.46)	(49.83)
			<b>3.09</b>	<b>0.25</b>	<b>4.29</b>	<b>(30.46)</b>	<b>(49.83)</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
			<b>(250.14)</b>	<b>(31.11)</b>	<b>115.57</b>	<b>(429.15)</b>	<b>168.43</b>
	<b>Total other comprehensive income for the period / year</b>	(A+B)	<b>(247.05)</b>	<b>(30.86)</b>	<b>119.86</b>	<b>(459.61)</b>	<b>118.60</b>
11	<b>Total comprehensive income for the period / year (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	(9+10)	<b>1,027.77</b>	<b>868.70</b>	<b>839.86</b>	<b>3,617.62</b>	<b>3,268.68</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					22,221.13	21,420.71
14	<b>Earnings per equity share in ₹ (Face value of share ₹ 10 each)</b>						
	- Basic		16.68	11.77	9.03	53.17	39.40
	- Diluted		16.68	11.77	9.03	53.17	39.40
15	<b>Dividend per share (in ₹) (Nominal value of share ₹ 10 each)</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 statement of assets and liabilities

(In ₹ Million)

	Particulars	(In ₹ Million)	
		As on March 31, 2020 (Audited)	As on March 31, 2019 (Audited)
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
	Property, Plant and Equipment	2,048.77	2,130.26
	Capital work-in-progress	48.27	11.81
	Right of Use assets	269.40	-
	Other Intangible assets	46.97	83.86
	Intangible assets under development	137.20	60.32
	Financial assets		
	- Investments	8,379.86	7,544.01
	- Loans	123.57	116.01
	- Other non-current financial assets	358.93	423.05
	Deferred tax assets (net)	317.35	55.56
	Other non-current assets	329.39	68.35
	<b>Total non-current assets</b>	<b>12,059.71</b>	<b>10,493.23</b>
	<b>Current assets</b>		
	Financial assets		
	- Investments	5,164.77	3,295.53
	- Trade receivables	2,883.09	2,429.85
	- Cash and cash equivalents	532.63	565.12
	- Other bank balances	2,405.32	4,659.18
	- Loans	4.76	6.63
	- Other current financial assets	2,080.07	2,195.74
	Other current assets	1,485.37	1,243.44
	<b>Total current assets</b>	<b>14,556.01</b>	<b>14,395.49</b>
	<b>TOTAL ASSETS</b>	<b>26,615.72</b>	<b>24,888.72</b>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Equity share capital	764.25	791.19
	Other equity	22,221.13	21,420.71
	<b>Total Equity</b>	<b>22,985.38</b>	<b>22,211.90</b>
	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	Financial liabilities		
	- Borrowings	7.08	11.97
	Provisions	182.79	158.46
	Other long-term financial liabilities	191.26	1.83
	<b>Total Non-current liabilities</b>	<b>381.13</b>	<b>172.26</b>
	<b>Current liabilities</b>		
	Financial liabilities		
	- Trade payables	972.49	1,019.07
	- Other financial liabilities	715.11	138.17
	Other current liabilities	851.02	630.28
	Provisions	590.38	664.11
	Current tax liabilities (net)	120.21	52.93
	<b>Total current liabilities</b>	<b>3,249.21</b>	<b>2,504.56</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>26,615.72</b>	<b>24,888.72</b>



## 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 operating activities</b>		
Profit before tax	5,329.06	4,383.76
Adjustments for:		
Interest income	(525.76)	(288.82)
Finance cost	44.51	0.51
Dividend income	(410.72)	(392.26)
Depreciation and amortization expense	555.12	458.84
Amortization of lease premium	-	0.58
Unrealised exchange (gain) / loss (net)	(128.86)	80.81
Exchange loss on derivative contracts	58.51	20.51
Exchange (gain) / loss on translation of foreign currency cash and cash equivalents	(46.82)	75.53
Donations in kind	-	1.40
Bad debts	-	23.55
Provision for doubtful debts (net)/ (Provision for doubtful debts written back) (net)	47.31	(6.99)
Provision for doubtful deposits	248.48	182.50
Employee stock compensation expenses	60.01	-
Remeasurements of the defined benefit liabilities / asset (before tax effects)	(41.80)	(49.83)
(Gain) / loss on fair valuation of mutual funds	(119.02)	76.95
(Profit) on sale of investments (net)	(164.81)	(366.09)
(Profit) on sale of Property, Plant and Equipment (net)	-	(3.77)
<b>Operating profit before working capital changes</b>	<b>4,905.21</b>	<b>4,197.18</b>
<b>Movements in working capital :</b>		
(Increase)/ Decrease in non-current and current loans	(5.29)	0.16
(Increase) in other non current assets	(261.04)	(2.29)
(Increase) in other current financial assets	(246.75)	(864.55)
(Increase)/ Decrease in other current assets	(241.93)	131.18
(Increase)/ Decrease in trade receivables	(373.81)	875.95
Increase in trade payables, current liabilities and non current liabilities	65.30	197.79
(Decrease) / Increase in provisions	(49.40)	251.17
<b>Operating profit after working capital changes</b>	<b>3,792.29</b>	<b>4,786.59</b>
Direct taxes paid (net of refunds)	(1,217.69)	(1,394.77)
<b>Net cash generated from operating activities</b>	<b>(A) 2,574.60</b>	<b>3,391.82</b>
<b>Cash flows from investing activities</b>		
Payment towards capital expenditure (including intangible assets)	(483.57)	(268.87)
Proceeds from sale of Property, Plant and Equipment	4.08	3.82
Investment in wholly owned subsidiaries	(474.00)	-
Share application money paid	-	(78.72)
Purchase of bonds	(901.61)	(1,175.31)
Proceeds from sale of bonds	819.87	199.43
Investments in mutual funds	(19,456.95)	(22,418.13)
Proceeds from sale / maturity of mutual funds	17,670.49	25,010.64
(Investments)/ maturity in bank deposits having original maturity over three months	2,044.25	(3,956.56)
Investments in deposit with financial institutions	-	(300.00)
Maturity of deposit with financial institutions	250.00	650.35
Inter corporate deposits refunded	-	132.74
Interest received	484.68	341.93
Dividend received	410.72	392.26
<b>Net cash generated from / (used in) investing activities</b>	<b>(B) 367.96</b>	<b>(1,466.42)</b>
<b>Cash flows from financing activities</b>		
(Repayment of) long term borrowings	(4.62)	(4.58)
Shares bought back	(1,677.01)	(571.41)
Specific project related grant received	3.00	4.50
Dividend paid	(1,144.60)	(881.41)
Tax on dividend paid	(154.14)	(137.41)
Interest paid	(44.50)	(1.12)
<b>Net cash used in financing activities</b>	<b>(C) (3,021.87)</b>	<b>(1,591.43)</b>

	For the year ended	
	March 31, 2020	March 31, 2019
	In ₹ Million	In ₹ Million
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(79.31)	333.97
Cash and cash equivalents at the beginning of the year	565.12	306.68
Effect of exchange differences on translation of foreign currency cash and cash equivalents	46.82	(75.53)
Cash and cash equivalents at the end of the year	<u>532.63</u>	<u>565.12</u>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.15	0.11
Balances with banks		
On current accounts #	198.79	126.71
On saving accounts	0.36	0.91
On deposit account with maturity of less than three months	71.47	229.54
On Exchange Earner's Foreign Currency accounts	261.86	114.91
On Escrow accounts**	-	92.94
Cash and cash equivalents	<u>532.63</u>	<u>565.12</u>

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

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

**Notes:**

- 1 The audited condensed unconsolidated 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 interim condensed unconsolidated financial statements.
- 2 Effective April 1, 2019, the Company 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 ₹ 396.41 million and a lease liability of ₹ 501.15 million. The cumulative effect of applying the standard resulted in ₹ 106.44 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 Company 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 Company 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 Company 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



Dr. Anand Deshpande  
Chairman and Managing Director

Pune  
May 5, 2020

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**Walker Chandio & Co LLP**

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India

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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 associate (refer Annexure 1 for the list of subsidiaries and associate included in the Statement) for the year ended 31 March 2020, 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 and associate, the Statement:
  - (i) includes the annual financial results of the following entities (refer Annexure 1 for the list of subsidiaries and associate included in the Statement);
  - (ii) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, read with SEBI Circular, CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular'); 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 associate for the quarter and year ended 31 March 2020.

**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 associate, 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**

### **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)**

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#### **Management's and Those Charged with Governance Responsibilities 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 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 and its associate 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, including SEBI Circular. 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 associate, 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 associate 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 its associate are responsible for assessing the ability of the Group and of its associate, 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 and its associate 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 its associate, are responsible for overseeing the financial reporting process of the companies included in the Group and of its associate.

#### **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 Group and its associate covered under the Act have adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

## 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)

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- 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 associate, 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 associate 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 results/ financial information/ financial statements of the entities within the Group and its associate, 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 Matters

12. We did not audit the annual financial statements of fifteen subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 4,751.45 million as at 31 March 2020, total revenues of ₹ 4,964.27 million, total net profit after tax of ₹ 35.73 million, total comprehensive income of ₹ 31.39 million, and cash flows (net) of ₹ 115.88 million for the year ended on that date, as considered in the Statement. These annual financial statements have been audited by other auditors whose audit reports have 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 the above matter.

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 2020, in respect of one associate, whose annual financial statements have not been audited by us. These financial statements are unaudited and have 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 the aforesaid associate is based solely on such unaudited financial statements. In our opinion and according to the information and explanation given to us by the management, these financial statements are not material to the Group and its associate.

# Walker Chandiok & Co LLP

## 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)

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Our opinion is not modified in respect of the above matter

14. The Statement includes the consolidated financial results for the quarter ended 31 March 2020, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.
15. The audit of consolidated financial results for the year and quarter ended 31 March 2019 included in the Statement was carried out and reported by the predecessor auditor, Deloitte Haskins & Sells LLP, who have expressed unmodified opinion vide their audit report dated 27 April 2019, whose reports have been furnished to us and which have been relied upon by us for the purpose of our audit of the Statement. Our opinion is not modified in respect of this matter.
16. The audit of consolidated quarterly financial results for the quarter ended 30 June 2019, included in the statement was carried out and reported by Deloitte Haskins & Sells LLP, who have expressed unmodified opinion vide their audit report dated 25 July 2019, whose audit report has been furnished to us and which has been relied upon by us for the purpose of our audit of the Statement. Our opinion is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**BHARAT  
KOCHU  
SHETTY**

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BHARAT KOCHU  
SHETTY  
Date: 2020.05.05  
21:15:13 +05'30'

**Bharat Shetty**

Partner

Membership No. 106815

**UDIN No:20106815AAAABI9103**

Place: Mumbai

Date: 05 May 2020

# Walker Chandio & Co LLP

## 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)

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### 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	Aepona Group Limited (AGL)	Wholly owned subsidiary of PSI
9	Aepona Limited	Wholly owned subsidiary of AGL
10	Valista Limited (VL)	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 VL
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	Klisma e-Services Private Limited	Associate Company of PSL



**Persistent Systems Limited**

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Ph. No. +91(20)67030000; Fax +91(20)67030009; Email : info@persistent.com, www.persistent.com. CIN L72300PN1990PLC056696

**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>	(1+2)	<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>	(3-4)	<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>	(5-6)	<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>	(7-8)	<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>	(A+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>	(9+10)	<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:

a. Technology Services

b. Alliance

c. 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>					
		As on				
		March 31, 2020 (Audited)	March 31, 2019 (Audited)			
	- 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

*Anand Deshpande*

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

Pune  
Date : May 5, 2020

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