



NSE & BSE / 2019-20 / 44

July 25, 2019

The Manager,
Corporate Services,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai 400051

The Manager,
Corporate Services,
BSE Limited
14th Floor, P J Towers, Dalal Street,
Mumbai 400001

Ref: Symbol: PERSISTENT

Ref: Scrip Code: 533179

Dear Sir / Madam,

Sub: Proceedings of the Meeting of the Board of Directors

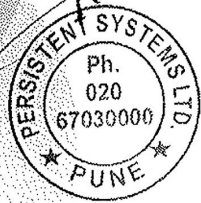
We wish to inform you that the Board of Directors, at its meeting held on July 24, 2019 and concluded at 1825 HRS (IST) on July 25, 2019, has taken the following decisions:

A. 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 ended June 30, 2019 have been approved. Accordingly, we enclose the following documents:

1. Auditors' Report dated July 25, 2019 on the Consolidated Financial Results of the Company for the quarter ended June 30, 2019;
2. Consolidated Financial Results of the Company for the quarter ended June 30, 2019;
3. Auditors' Report dated June 30, 2019 on the Unconsolidated Financial Results of the Company for the quarter ended June 30, 2019;
4. Unconsolidated Financial Results of the Company for the quarter ended June 30, 2019

B. In the notice of 29th Annual General Meeting (AGM) held on July 24, 2019, the Company had proposed re-appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants ('Deloitte') as the statutory auditors for a second term of two years from the date of the 29th AGM till the conclusion of 31st AGM of the Company, to be held before September 30, 2021. The Company has received a communication dated July 23, 2019 from Deloitte informing that if their reappointment is approved for abovementioned term of 2 years, and not for 5 years, they will not be able to accept the same. Accordingly, the Board of Directors of the Company has decided to identify a suitable audit firm which would be appointed as the statutory auditors of the Company. In terms of Section 139(10) of the Companies Act, 2013, Deloitte shall continue to be the statutory auditor of the Company until the appointment of new statutory auditors.

Page 1 of 2



Please acknowledge the receipt.

Thanking you,

Yours sincerely,

For **Persistent Systems Limited**



Amit Atre

Company Secretary

ICSI Membership Number: ACS 20507



Encl: As above

Persistent Systems Limited

Regd. Office : Bhageerath, 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



PERSISTENT

Audited consolidated financial results of Persistent Systems Limited for the quarter ended June 30, 2019

₹ in Million

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2019 (Audited)	March 31, 2019 (Audited)	June 30, 2018 (Audited)	March 31, 2019 (Audited)
1	Revenue from operations	8,321.14	8,318.54	8,342.81	33,659.41
2	Other income	300.36	283.96	186.75	876.55
3	Total income	8,621.50	8,602.50	8,529.56	34,535.96
4	Expenses				
	- Employee benefits expense	4,916.25	4,859.47	4,618.37	19,249.53
	- Cost of professionals	859.82	862.83	844.68	3,490.45
	- Finance costs	18.50	1.03	0.28	3.05
	- Depreciation and amortization expense	386.17	376.80	400.81	1,572.51
	- Other expenses	1,343.15	1,389.23	1,479.17	5,357.03
	Total Expenses	7,523.89	7,489.36	7,343.31	29,672.57
5	Profit before exceptional items and tax	1,097.61	1,113.14	1,186.25	4,863.39
6	Exceptional items	-	-	-	-
7	Profit before tax	1,097.61	1,113.14	1,186.25	4,863.39
8	Tax expense				
	- Current tax	350.55	298.75	356.05	1,343.20
	- Tax charge / (credit) in respect of earlier years	-	12.52	-	88.81
	- Deferred tax charge / (credit)	(77.64)	(42.86)	(43.28)	(85.41)
	Total tax expense	272.91	268.41	312.77	1,346.60
9	Profit for the period/year from continuing operations	824.70	844.73	873.48	3,516.79
10	Profit / (Loss) for the period/year from discontinued operations	-	-	-	-
11	Tax expense of discontinued operations	-	-	-	-
12	Profit / (Loss) for the period / year from discontinued operations (after tax)	-	-	-	-
13	Profit for the period / year	824.70	844.73	873.48	3,516.79
14	Other comprehensive income				
	A. Items that will not be reclassified to profit and loss				
	- Remeasurements of the defined benefit liabilities / (assets) (net of tax)	(26.37)	12.19	(13.05)	(47.15)
		(26.37)	12.19	(13.05)	(47.15)
	B. Items that may be reclassified to profit and loss				
	- Effective portion of cash flow hedge (net of tax)	(23.19)	115.57	(159.13)	168.43
	- Exchange differences in translating the financial statements of foreign operations	(0.63)	(58.42)	151.80	113.82
		(23.82)	57.15	(7.33)	282.25
	Total other comprehensive income for the period / year	(50.19)	69.34	(20.38)	235.10
15	Total comprehensive income for the period / year (Comprising Profit / (Loss) and Other Comprehensive Income for the period / year)	774.51	914.07	853.10	3,751.89
16	Paid-up equity share capital (Face value of share ₹ 10 each)	764.25	791.19	800.00	791.19
17	Reserves excluding revaluation reserves				22,655.61
18	Earnings per equity share (for continuing operations) in ₹				
	- Basic	10.65	10.59	10.92	43.99
	- Diluted	10.65	10.59	10.92	43.99
19	Earnings per equity share (for discontinued operations) in ₹				
	- Basic	-	-	-	-
	- Diluted	-	-	-	-
20	Earnings per equity share (for discontinued and continuing operations) in ₹				
	- Basic	10.65	10.59	10.92	43.99
	- Diluted	10.65	10.59	10.92	43.99
21	Dividend per share (in ₹)				
	Interim dividend	-	-	-	8
	Final dividend	-	3	-	3
	Total dividend	--	3	--	11

Audited unconsolidated financial information

₹ in Million

Particulars	Quarter ended			Year ended
	June 30, 2019 (Audited)	March 31, 2019 (Audited)	June 30, 2018 (Audited)	March 31, 2019 (Audited)
Revenue from operations	4,953.95	5,162.71	4,619.91	19,598.67
Profit before tax	1,114.73	1,061.69	1,205.40	4,383.76
Profit after tax	834.39	720.00	923.25	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:

- Technology Services
- Alliance
- Accelerite (Products)

₹ in Million

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2019 (Audited)	March 31, 2019 (Audited)	June 30, 2018 (Audited)	March 31, 2019 (Audited)
1	Segment revenue				
	- Technology Services	5,704.51	5,741.15	5,243.17	22,018.03
	- Alliance	2,312.65	2,061.19	2,690.68	9,759.92
	- Accelerite (Products)	303.98	516.20	408.96	1,881.46
	Total	8,321.14	8,318.54	8,342.81	33,659.41
2	Less: Inter segment revenue	--	--	--	--
3	Net sales/income from operations	8,321.14	8,318.54	8,342.81	33,659.41
4	Segment results profit (loss) before tax, interest and depreciation and amortization				
	- Technology Services	2,068.09	2,339.76	1,998.56	8,507.67
	- Alliance	748.61	549.88	860.37	3,298.01
	- Accelerite (Products)	107.92	304.15	162.27	992.14
	Total	2,924.62	3,193.79	3,021.20	12,797.82
5	Less:				
	- Finance costs	18.50	1.03	0.28	3.05
	- Other un-allocable expenses	2,108.87	2,363.58	2,021.42	8,807.93
6	Un-allocable income	300.36	283.96	186.75	876.55
7	Total profit before tax	1,097.61	1,113.14	1,186.25	4,863.39

8	Segment assets	As on		
		June 30, 2019 (Audited)	March 31, 2019 (Audited)	June 30, 2018 (Audited)
	- Technology Services	3,836.43	3,547.07	3,657.36
	- Alliance	700.25	1,021.77	1,618.23
	- Accelerite (Products)	195.50	354.17	355.04
	Total allocable segment assets	4,732.18	4,923.01	5,630.63
	Unallocable assets	22,935.10	23,632.98	22,242.56
	Total assets	27,667.28	28,555.99	27,873.19

Notes for segment wise information:

Operating segments are components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision 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 are used interchangeably between segments and the Group is of the view that it is not practical to reasonably allocate the other assets, liabilities and other non-cash expenses to individual segments and an ad-hoc allocation will not be meaningful.

Notes:

- The audited condensed consolidated financial statements for the quarter ended June 30, 2019, have been taken on record by the Board of Directors at its meeting concluded on July 25, 2019 as recommended by the Audit Committee at its meeting held on July 24, 2019. The statutory auditors have expressed an unqualified audit opinion.
- The Board of Directors, in its meeting held in January 2019, approved the buyback by the Company of its fully paid-up equity shares having face value of ₹ 10 each. The window for buying the shares opened on February 8, 2019 and the Company has purchased 3,575,000 equity shares between February 2019 and June 2019 and has extinguished these shares after following the due process. The Company has completed the buyback on June 27, 2019 and the total number of equity shares outstanding as on June 30, 2019 post buyback stands at 76,425,000. The Company has completed the extinguishment of 549,887 equity shares on July 3, 2019 which were bought back before June 27, 2019; after following the due process.
- Persistent Systems Germany GmbH, wholly owned subsidiary of Persistent Systems Limited has entered into a Share Purchase Agreement dated June 25, 2019 to acquire 100% share capital of Youperience GmbH, a Salesforce Certified Gold Partner in Germany. As on that date, Youperience GmbH was holding 30% stake in its associate Company - Youperience Limited, United Kingdom. Balance 70% stake in the said associate has also been acquired by Persistent Systems Germany GmbH through Youperience GmbH on June 27, 2019.
- Mr. Sanjay Kumar Bhattacharyya resigned as an Independent Director of the Company w.e.f. July 1, 2019.
- 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 assets (ROU) of ₹ 722.51 million and a lease liability of ₹ 832.20 million. The cumulative effect of applying the standard resulted in ₹ 109.69 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.
- As reported in the previous quarters, Persistent Systems Limited ("the Parent 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. The Group has not accrued any interest on these deposits since April 1, 2018. In view of the uncertainty prevailing with respect to recovery of outstanding balances from IL&FS Group, Management of the Parent Company has provided an additional amount of ₹ 100.00 million during the quarter ended June 30, 2019, thereby making the total provision to ₹ 282.50 million for impairment in value of deposits as of June 30, 2019. The provision currently reflects the exposure that may arise given the uncertainty. With the resolution plan in progress, the Management of the Parent Company is hopeful of recovery though with a time lag. The Parent 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.
- In the notice of 29th Annual General Meeting (AGM) held on July 24, 2019, the Parent Company had proposed re-appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants ("Deloitte") as the statutory auditors for a second term of two years from the date of the 29th AGM till the conclusion of 31st AGM of the Parent Company, to be held before September 30, 2021. The Parent Company has received a communication dated July 23, 2019 from Deloitte informing that if their reappointment is approved for abovementioned term of 2 years, and not for 5 years, in their view, it will not be in accordance with the law and hence, they will not be able to accept the same. Accordingly, the Board of Directors of the Parent Company has decided to identify a suitable audit firm which would be appointed as the statutory auditors of the Parent Company. In terms of Section 139(10) of the Companies Act, 2013, Deloitte shall continue to be the statutory auditor of the Parent Company until the appointment of new statutory auditors.

By order of Board of Directors of Persistent Systems Limited

Pune
July 25, 2019

Dr. Anand Deshpande
Chairman and Managing Director

Kiran Umroothkar
Director

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

INDEPENDENT AUDITORS' REPORT ON AUDIT OF CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF PERSISTENT SYSTEMS LIMITED

1. We have audited the accompanying Statement of interim Consolidated Financial Results of **PERSISTENT SYSTEMS LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its associate, for the quarter ended 30 June 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and is approved by the Parent's Board of Directors, has been compiled from the related interim condensed consolidated financial statements prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit.
3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parent's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Parent's internal financial control with reference to the Statement. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Space intentionally left blank



4. 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 the other auditors on separate financial statements of subsidiaries, associate referred to in paragraph 5 below, the Statement:

(i) includes the results of the following entities:

- | | |
|---|--|
| • Persistent Systems, Inc. | • Aepona Group Limited |
| • Persistent Systems Pte Limited | • Aepona Limited |
| • Persistent Systems France SAS | • Valista Limited |
| • Persistent Telecom Solutions Inc. | • Persistent Systems Lanka (Private) Limited |
| • Persistent Systems Malaysia Sdn. Bhd. | • Persistent Systems Mexico, S.A. de C.V. |
| • Aepona Holdings Limited | • Persistent Systems Israel Ltd. |
| • Parx Werk AG | • Persistent Systems Germany GmbH |
| | • PARX Consulting GmbH |

(ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and

(iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the aforesaid Accounting Standard and other accounting principles generally accepted in India of the consolidated net profit and total comprehensive income and other financial information of the Group for the quarter ended 30 June 2019.

5. We did not audit the interim financial statements of 14 (fourteen) subsidiaries included in the consolidated financial results, whose interim financial statements reflect total assets of Rs. 4,893.21 Million, net total assets of Rs 2,101.98 Million as at 30 June 2019, total revenues of Rs. 1,170.26 Million, total net profit after tax of Rs. 228.36 Million and total comprehensive income of Rs. 248.99 Million for the quarter ended 30 June 2019, as considered in the statement. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in para 3 above.

The consolidated financial results also includes the Group's share of profit/(loss) after tax of Rs. Nil and total comprehensive income/(loss) of Rs. Nil for the quarter ended 30 June 2019, as considered in the statement, in respect of 1 (one) associate whose 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 on the Statement, in so far as it relates to the amounts and disclosures included in respect of this associate is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, this financial statements are not material to the Group.



**Deloitte
Haskins & Sells LLP**

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

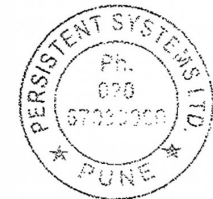
Place: Pune
Date: 25 July 2019


Hamant M. Joshi
Partner
(Membership No. 038019)
(UDIN – 19038019AAAACA9282)

Audited consolidated financial results of Persistent Systems Limited for the quarter ended June 30, 2019

in ₹ Million

Sr. No.	Particulars		Quarter ended		Year ended	
			June 30, 2019 (Audited)	March 31, 2019 (Audited)	June 30, 2018 (Audited)	March 31, 2019 (Audited)
1	Revenue from operations		8,321.14	8,315.54	8,342.81	33,659.41
2	Other income		300.36	281.96	186.75	876.55
3	Total income	(1+2)	8,621.50	8,602.50	8,529.56	34,535.96
4	Expenses					
	- Employee benefits expense		4,916.25	4,859.47	4,618.37	19,249.53
	- Cost of professionals		859.82	862.83	844.68	3,490.45
	- Finance costs		18.50	1.03	0.28	3.05
	- Depreciation and amortization expense		366.17	376.80	400.81	1,572.51
	- Other expenses		1,343.15	1,389.23	1,479.17	5,357.05
	Total Expenses		7,513.89	7,489.36	7,343.31	29,672.57
5	Profit before exceptional items and tax	(3-4)	1,097.61	1,113.14	1,186.25	4,863.39
6	Exceptional items		-	-	-	-
7	Profit before tax	(5-6)	1,097.61	1,113.14	1,186.25	4,863.39
8	Tax expense					
	- Current tax		350.55	248.75	356.05	1,343.20
	- Tax charge / (credit) in respect of earlier years		-	12.52	-	88.81
	- Deferred tax charge / (credit)		(77.64)	(42.86)	(43.28)	(85.41)
	Total tax expense		272.91	268.41	312.77	1,346.60
9	Profit for the period / year from continuing operations	(7-8)	824.70	844.73	873.48	3,516.79
10	Profit / (Loss) for the period / year from discontinued operations		-	-	-	-
11	Tax expense of discontinued operations		-	-	-	-
12	Profit / (Loss) for the period / year from discontinued operations (after tax)	(10-11)	-	-	-	-
13	Profit for the period / year	(9+12)	824.70	844.73	873.48	3,516.79
14	Other comprehensive income					
	A. Items that will not be reclassified to profit and loss					
	- Remeasurements of the defined benefit liabilities / (assets) (net of tax)		(26.37)	12.19	(13.05)	(47.15)
			(26.37)	12.19	(13.05)	(47.15)
	B. Items that may be reclassified to profit and loss					
	- Effective portion of cash flow hedge (net of tax)		(23.19)	115.57	(159.13)	168.43
	- Exchange differences in translating the financial statements of foreign operations		(0.63)	(58.42)	151.80	113.82
			(23.82)	57.15	(7.33)	282.25
	Total other comprehensive income for the period / year	(A+B)	(50.19)	69.34	(20.38)	235.10
15	Total comprehensive income for the period / year (Comprising Profit / (Loss) and Other Comprehensive Income for the period / year)	(13+14)	774.51	914.07	853.10	3,751.89
16	Paid-up equity share capital (Face value of share ₹ 10 each)		764.25	791.19	800.00	791.19
17	Reserves excluding revaluation reserves		-	-	-	22,635.61
18	Earnings per equity share (for continuing operations) in ₹					
	- Basic		10.65	10.59	10.92	43.99
	- Diluted		10.65	10.59	10.92	43.99
19	Earnings per equity share (for discontinued operations) in ₹					
	- Basic		-	-	-	-
	- Diluted		-	-	-	-
20	Earnings per equity share (for discontinued and continuing operations) in ₹					
	- Basic		10.65	10.59	10.92	43.99
	- Diluted		10.65	10.59	10.92	43.99
21	Dividend per share (in ₹)					
	Interim dividend		-	-	-	8
	Final dividend		-	3	-	3
	Total dividend		-	3	-	11



Audited unconsolidated financial information

Particulars	in ₹ Million			
	Quarter ended			Year ended
	June 30, 2019 (Audited)	March 31, 2019 (Audited)	June 30, 2018 (Audited)	March 31, 2019 (Audited)
Revenue from operations	4,953.95	5,162.71	4,619.91	19,598.67
Profit before tax	1,114.73	961.69	1,205.40	4,383.76
Profit after tax	834.39	720.00	921.25	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:

- Technology Services
- Alliance
- Accelerite (Products)

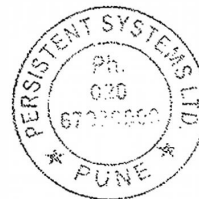
Sr. No.	Particulars	in ₹ Million			
		Quarter ended			Year ended
		June 30, 2019 (Audited)	March 31, 2019 (Audited)	June 30, 2018 (Audited)	March 31, 2019 (Audited)
1	Segment revenue				
	- Technology Services	5,704.51	5,741.15	5,243.17	22,018.03
	- Alliance	2,312.65	2,061.19	2,690.68	9,759.92
	- Accelerite (Products)	303.98	316.20	408.95	1,881.46
	Total	8,321.14	8,318.54	8,342.81	33,659.41
2	Less: Inter segment revenue	-	-	-	-
3	Net sales/income from operations	8,321.14	8,318.54	8,342.81	33,659.41
4	Segment results profit/ (loss) before tax, interest and depreciation and amortization				
	- Technology Services	2,068.09	2,319.76	1,998.56	8,507.67
	- Alliance	748.61	549.88	840.37	3,298.01
	- Accelerite (Products)	107.92	304.15	162.27	992.14
	Total	2,924.62	3,193.79	3,021.20	12,797.82
5	Less:				
	- Finance costs	18.50	1.03	0.28	3.05
	- Other un-allocable expenses	2,108.87	2,363.58	2,021.42	8,807.93
6	Un-allocable income	300.36	283.96	186.75	876.55
7	Total profit before tax	1,897.61	1,113.14	1,186.25	4,863.39
8	Segment assets [Trade receivables (net)]				
		As on			
		June 30, 2019 (Audited)	March 31, 2019 (Audited)	June 30, 2018 (Audited)	
	- Technology Services	3,836.43	3,547.07	3,657.36	
	- Alliance	700.25	1,021.77	1,618.23	
	- Accelerite (Products)	195.50	354.17	355.04	
	Total allocable segment assets	4,732.18	4,923.01	5,630.63	
	Unallocable assets	22,915.10	25,632.98	22,342.56	
	Total assets	27,667.28	28,555.99	27,873.19	

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.

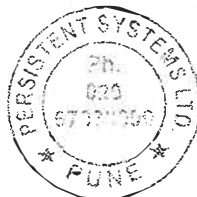
Segment wise capital employed

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 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.



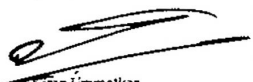
Notes:

- 1 The audited condensed consolidated financial statements for the quarter ended June 30, 2019, have been taken on record by the Board of Directors at its meeting concluded on July 25, 2019 as recommended by the Audit Committee at its meeting held on July 24, 2019. The statutory auditors have expressed an unqualified audit opinion.
- 2 The Board of Directors, in its meeting held in January 2019, approved the buyback by the Company of its fully paid-up equity shares having face value of ₹ 10 each. The window for buying the shares opened on February 8, 2019 and the Company has purchased 3,573,000 equity shares between February 2019 and June 2019 and has extinguished these shares after following the due process. The Company has completed the Buyback on June 27, 2019 and the total number of equity shares outstanding as on June 30, 2019 post buyback stands at 76,425,000.
The Company has completed the extinguishment of 549,887 equity shares on July 3, 2019 which were bought back before June 27, 2019 after following the due process.
- 3 Persistent Systems Germany GmbH, wholly owned subsidiary of Persistent Systems Limited has entered into a Share Purchase Agreement dated June 25, 2019 to acquire 100% share capital of Youperence GmbH, a Salesforce Certified Gold Partner in Germany. As on that date, Youperence GmbH was holding 30% stake in its associate Company - Youperence Limited, United Kingdom. Balance 70% stake in the said associate has also been acquired by Persistent Systems Germany GmbH through Youperence GmbH on June 27, 2019.
- 4 Mr. Sanjay Kumar Bhattacharyya resigned as an Independent Director of the Company w.e.f. July 1, 2019.
- 5 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 ₹ 722.51 million and a lease liability of ₹ 832.20 million. The cumulative effect of applying the standard resulted in ₹ 109.69 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.
- 6 As reported in the previous quarters, Persistent Systems Limited ("the Parent 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. The Group has not accrued any interest on these deposits since April 1, 2018. In view of the uncertainty prevailing with respect to recovery of outstanding balances from IL&FS Group, Management of the Parent Company has provided an additional amount of ₹ 100.00 million during the quarter ended June 30, 2019, thereby making the total provision to ₹ 282.50 million for impairment in value of deposits as of June 30, 2019. The provision currently reflects the exposure that may arise given the uncertainty. With the resolution plan in progress, the Management of the Parent Company is hopeful of recovery though with a time lag. The Parent 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.
- 7 In the notice of 29th Annual General Meeting (AGM) held on July 24, 2019, the Parent Company had proposed re-appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants ("Deloitte") as the statutory auditors for a second term of two years from the date of the 29th AGM till the conclusion of 31st AGM of the Parent Company, to be held before September 30, 2021. The Parent Company has received a communication dated July 23, 2019 from Deloitte informing that if their re-appointment is approved for abovementioned term of 2 years, and not for 5 years, in their view, it will not be in accordance with the law and hence, they will not be able to accept the same. Accordingly, the Board of Directors of the Parent Company has decided to identify a suitable audit firm which would be appointed as the statutory auditors of the Parent Company. In terms of Section 139(10) of the Companies Act, 2013, Deloitte shall continue to be the statutory auditor of the Parent Company until the appointment of new statutory auditors.



By order of Board of Directors of Persistent Systems Limited

Dr. Anand Deshpande
Chairman and Managing Director


Kifan Umrothkar
Director

Pune
July 25, 2019



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

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF PERSISTENT SYSTEMS LIMITED

1. We have audited the accompanying Statement of interim Standalone Financial Results of **PERSISTENT SYSTEMS LIMITED** ("the Company"), for the quarter ended 30 June 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related audited interim condensed standalone financial statements which has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit.
3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Company's internal financial control with reference to the Statement. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.



Space intentionally left blank

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- a. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
 - b. gives a true and fair view in conformity with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India of the net profit, total comprehensive income and other financial information of the Company for the quarter ended 30 June 2019.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Hemant M. Joshi

Partner

(Membership No. 038019)
(UDIN – 19038019AAAABZ9118)

Place: Pune
Date: 25 July 2019

Audited unconsolidated financial results of Persistent Systems Limited for the quarter ended June 30, 2019

Sr. No.	Particulars		in ₹ Million			
			Quarter ended		Year ended	
			June 30, 2019 (Audited)	March 31, 2019 (Audited)	June 30, 2018 (Audited)	March 31, 2019 (Audited)
1	Revenue from operations		4,953.95	5,162.71	4,619.91	19,598.67
2	Other income		307.05	255.57	194.82	1,037.90
3	Total income	(1+2)	5,261.00	5,418.28	4,814.73	20,636.57
4	Expenses					
	- Employee benefits expense		2,499.35	2,468.52	2,260.79	9,491.23
	- Cost of professionals		490.02	549.06	505.18	2,195.21
	- Finance costs		12.45	0.12	0.11	0.51
	- Depreciation and amortization expense		137.31	114.29	117.19	458.84
	- Other expenses		1,007.14	1,324.60	725.06	4,107.02
	Total Expenses		4,146.27	4,456.59	3,609.33	16,252.81
5	Profit before exceptional items and tax	(3-4)	1,114.73	961.69	1,205.40	4,383.76
6	Exceptional items		-	-	-	-
7	Profit before tax	(5-6)	1,114.73	961.69	1,205.40	4,383.76
8	Tax expense					
	- Current tax		338.19	301.66	340.80	1,283.16
	- Tax charge / (credit) in respect of earlier years		-	15.91	-	65.00
	- Deferred tax charge / (credit)		(57.85)	(75.88)	(58.65)	(114.48)
	Total tax expense		280.34	241.69	282.15	1,233.68
9	Profit for the period / year from continuing operations	(7-8)	834.39	720.00	923.25	3,150.08
10	Profit / (Loss) for the period / year from discontinued operations		-	-	-	-
11	Tax expense of discontinued operations		-	-	-	-
12	Profit / (Loss) for the period / year from discontinued operations (after tax)	(10-11)	-	-	-	-
13	Profit for the period / year	(9+12)	834.39	720.00	923.25	3,150.08
14	Other comprehensive income					
	A. Items that will not be reclassified to profit and loss					
	- Remeasurements of the defined benefit liabilities / (assets) (net of tax)		(25.30)	4.29	(12.91)	(49.83)
			(25.30)	4.29	(12.91)	(49.83)
	B. Items that may be reclassified to profit and loss					
	- Effective portion of cash flow hedge (net of tax)		(23.19)	115.57	(159.13)	168.43
			(23.19)	115.57	(159.13)	168.43
	Total other comprehensive income for the period / year	(A+B)	(48.49)	119.86	(172.04)	118.60
15	Total comprehensive income for the period / year (Comprising Profit (Loss) and Other Comprehensive Income for the period)	(13+14)	785.90	839.86	751.21	3,268.68
16	Paid-up equity share capital (Face value of share ₹ 10 each)		764.25	791.19	800.00	791.19
17	Reserves excluding revaluation reserves					21,420.71
18	Earnings per equity share (for continuing operations) in ₹					
	- Basic		10.77	9.03	11.54	39.40
	- Diluted		10.77	9.03	11.54	39.40
19	Earnings per equity share (for discontinued operations) in ₹					
	- Basic		-	-	-	-
	- Diluted		-	-	-	-
20	Earnings per equity share (for discontinued operations and continuing operations) in ₹					
	- Basic		10.77	9.03	11.54	39.40
	- Diluted		10.77	9.03	11.54	39.40
21	Dividend per share (in ₹)					
	Interim dividend		-	-	-	8
	Final dividend		-	3	-	3
	Total dividend		-	3	-	11



Notes:

- 1 The audited condensed financial statements for the quarter ended June 30, 2019, have been taken on record by the Board of Directors at its meeting concluded on July 25, 2019 as recommended by the Audit Committee at its meeting held on July 24, 2019. The statutory auditors have expressed an unqualified audit opinion.
- 2 The Board of Directors, in its meeting held in January 2019, approved the buyback by the Company of its fully paid-up equity shares having face value of ₹ 10 each. The window for buying the shares opened on February 8, 2019 and the Company has purchased 3,575,000 equity shares between February 2019 and June 2019 and has extinguished these shares after following the due process. The Company has completed the Buyback on June 27, 2019 and the total number of equity shares outstanding as on June 30, 2019 post buyback stands at 76,425,000.
The Company has completed the extinguishment of 549,887 equity shares on July 3, 2019 which were bought back before June 27, 2019, after following the due process.
- 3 The Company's wholly owned subsidiary in Germany viz., Persistent Systems Germany GmbH has acquired 100% share capital of Youperience GmbH, a Salesforce Certified Gold Partner in Germany. As on that date, Youperience GmbH was holding 30% stake in its associate Company - Youperience Limited, United Kingdom. Balance 70% stake in the said associate has also been acquired by Persistent Systems Germany GmbH through Youperience GmbH on June 27, 2019.
- 4 Mr. Sanjay Kumar Bhattacharyya resigned as an Independent Director of the Company w.e.f. July 1, 2019.
- 5 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 ₹ 358.91 million and a lease liability of ₹ 451.45 million. The cumulative effect of applying the standard resulted in ₹ 92.54 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.
- 6 As reported in the previous quarters, 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. The Company has not accrued any interest on these deposits since April 1, 2018. In view of the uncertainty prevailing with respect to recovery of outstanding balances from IL&FS Group, Management of the Company has provided an additional amount of ₹ 100.00 million during the quarter ended June 30, 2019, thereby making the total provision to ₹ 282.50 million for impairment in value of deposits as of June 30, 2019. The provision currently reflects the exposure that may arise given the uncertainty. With the resolution plan in progress, the Management of the Parent Company 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.
- 7 In the notice of 29th Annual General Meeting (AGM) held on July 24, 2019, the Company had proposed re-appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants ('Deloitte') as the statutory auditors for a second term of two years from the date of the 29th AGM till the conclusion of 31st AGM of the Company, to be held before September 30, 2021. The Company has received a communication dated July 23, 2019 from Deloitte informing that if their reappointment is approved for abovementioned term of 2 years, and not for 5 years, in their view, it will not be in accordance with the law and hence, they will not be able to accept the same. Accordingly, the Board of Directors of the Company has decided to identify a suitable audit firm which would be appointed as the statutory auditors of the Company. In terms of Section 139(10) of the Companies Act, 2013, Deloitte shall continue to be the statutory auditor of the Company until the appointment of new statutory auditors.

Pune
July 25, 2019



By order of Board of Directors of Persistent Systems Limited

Dr. Anand Deshpande
Chairman and Managing Director


Kiran Umroolkar
Director

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

