



PERSISTENT

NSE & BSE / 2018-19 / 65

October 21, 2018

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 October 20, 2018 and concluded at 1515 HRS (IST) on October 21, 2018, has taken the following decisions:

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 half year ended September 30, 2018 have been approved. Accordingly, we enclose the following documents:

1. Auditors' Report dated October 21, 2018 on the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2018;
2. Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2018;
3. Auditors' Report dated October 21, 2018 on the Unconsolidated Financial Results of the Company for the quarter and half year ended September 30, 2018;
4. Unconsolidated Financial Results of the Company for the quarter and half year ended September 30, 2018

Please acknowledge the receipt.

Thanking you,

Yours faithfully,

For **Persistent Systems Limited**


Amit Atre
Company Secretary



Encl: As above

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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 half year ended September 30, 2018

₹ in Million

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		Sept. 30, 2018 (Audited)	June 30, 2018 (Audited)	Sept. 30, 2017 (Audited)	Sept. 30, 2018 (Audited)	Sept. 30, 2017 (Audited)	March 31, 2018 (Audited)
1	Revenue from operations (net)	8,355.57	8,342.81	7,612.52	16,698.38	14,892.67	30,337.03
2	Other income	232.21	186.75	336.34	418.96	704.25	1,191.01
3	Total income	8,587.78	8,529.56	7,948.86	17,117.34	15,596.92	31,528.04
4	Expenses						
	- Employee benefits expense	4,862.36	4,618.37	4,668.13	9,480.73	9,044.63	18,316.46
	- Cost of professionals	877.05	844.68	809.27	1,721.73	1,538.40	3,180.63
	- Finance costs	1.07	0.28	0.16	1.35	0.33	0.79
	- Depreciation and amortization expense	398.58	400.81	379.44	799.39	771.35	1,584.87
	- Other expenses	1,179.93	1,479.17	977.30	2,659.10	2,108.25	4,152.68
	Total Expenses	7,318.99	7,343.31	6,834.30	14,662.30	13,462.96	27,235.43
5	Profit before exceptional items and tax	1,268.79	1,186.25	1,114.56	2,455.04	2,133.96	4,292.61
6	Exceptional items	--	--	--	--	--	--
7	Profit before tax	1,268.79	1,186.25	1,114.56	2,455.04	2,133.96	4,292.61
8	Tax expense						
	- Current tax	422.37	356.05	350.67	778.42	628.56	1,203.99
	- Tax credit in respect of earlier years	2.90	--	0.01	2.90	(12.24)	(71.19)
	- Deferred tax charge / (credit)	(37.89)	(43.28)	(62.35)	(81.17)	(59.48)	(71.07)
	Total tax expense	387.38	312.77	288.33	700.15	556.84	1,061.73
9	Profit for the period / year from continuing operations	881.41	873.48	826.23	1,754.89	1,577.12	3,230.88
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	881.41	873.48	826.23	1,754.89	1,577.12	3,230.88
14	Other comprehensive income						
	A. Items that will not be reclassified to profit and loss						
	- Remeasurements of the defined benefit liabilities / (asset)	(12.79)	(13.05)	14.21	(25.84)	56.74	106.88
		(12.79)	(13.05)	14.21	(25.84)	56.74	106.88
	B. Items that may be reclassified to profit and loss						
	- Effective portion of cash flow hedge	(139.16)	(159.13)	(92.32)	(298.29)	(159.10)	(191.81)
	- Exchange differences in translating the financial statements of foreign operations	185.91	151.80	50.42	337.71	72.09	77.70
		46.75	(7.33)	(41.90)	39.42	(87.01)	(114.11)
		33.96	(20.38)	(27.69)	13.58	(30.27)	(7.23)
15	Total comprehensive income for the period / year	915.37	853.10	798.54	1,768.47	1,546.85	3,223.65
16	Paid-up equity share capital (Face value of share ₹ 10 each)	800.00	800.00	800.00	800.00	800.00	800.00
17	Reserves excluding revaluation reserves	--	--	--	--	--	20,471.99
18	Earnings per equity share (for continuing operations) in ₹						
	- Basic	11.02	10.92	10.33	21.94	19.71	40.39
	- Diluted	11.02	10.92	10.33	21.94	19.71	40.39
19	Earnings per equity share (for discontinued operations) in ₹						
	- Basic	--	--	--	--	--	--
	- Diluted	--	--	--	--	--	--
20	Earnings per equity share (for discontinued and continuing operations) in ₹						
	- Basic	11.02	10.92	10.33	21.94	19.71	40.39
	- Diluted	11.02	10.92	10.33	21.94	19.71	40.39
21	Dividend per share (in ₹)						
	Interim dividend	--	--	--	--	--	7
	Final dividend	--	--	--	--	--	3
	Total dividend	--	--	--	--	--	10

Segment wise Revenue, Results and Capital Employed

₹ in Million

Sr. No.	Particulars	Quarter ended			Half year ended		Year Ended
		Sept. 30, 2018 (Audited)	June 30, 2018 (Audited)	Sept. 30, 2017 (Audited)	Sept. 30, 2018 (Audited)	Sept. 30, 2017 (Audited)	March 31, 2018 (Audited)
1	Segment revenue						
	- Technology Services	5,436.54	5,243.17	4,915.84	10,679.71	9,466.95	19,371.11
	- Alliance	2,466.94	2,690.68	2,081.76	5,157.62	4,205.64	8,725.06
	- Accelerite (Products)	452.09	408.96	614.92	861.05	1,220.08	2,240.86
	Total	8,355.57	8,342.81	7,612.52	16,698.38	14,892.67	30,337.03
2	Less: Inter segment revenue	--	--	--	--	--	--
3	Net sales/income from operations	8,355.57	8,342.81	7,612.52	16,698.38	14,892.67	30,337.03
4	Segment results profit/ (loss) before tax, interest and depreciation and amortization						
	- Technology Services	2,034.70	1,998.56	1,823.00	4,033.26	3,481.20	7,408.18
	- Alliance	826.50	860.37	657.09	1,686.87	1,356.02	2,699.89
	- Accelerite (Products)	241.80	162.27	283.03	404.07	537.35	1,054.29
	Total	3,103.00	3,021.20	2,763.12	6,124.20	5,374.57	11,162.36
5	Less:						
	- Finance costs	1.07	0.28	0.16	1.35	0.33	0.79
	- Other un-allocable expenses	2,065.35	2,021.42	1,984.74	4,086.77	3,944.53	8,059.97
6	Un-allocable income	232.21	186.75	336.34	418.96	704.25	1,191.01
7	Total profit before tax	1,268.79	1,186.25	1,114.56	2,455.04	2,133.96	4,292.61

Sr. No.	Particulars	AS at		
		Sept. 30, 2018 (Audited)	Sept. 30, 2017 (Audited)	March 31, 2018 (Audited)
	- Technology Services	3,426.75	3,641.28	3,675.96
	- Alliance	1,100.09	667.79	740.27
	- Accelerite (Products)	251.24	529.21	431.17
	Total allocable segment assets	4,778.08	4,838.28	4,847.40
	Unallocable assets	24,019.19	20,270.22	21,860.73
	Total assets	28,797.27	25,108.50	26,708.13

Audited consolidated statement of assets and liabilities

₹ in Million

Particulars	As at Sept. 30, 2018 (Audited)	As at Sept. 30, 2017 (Audited)	As at March 31, 2018 (Audited)
	ASSETS		
Non-current assets			
Property, Plant and Equipment	2,450.98	2,669.23	2,581.30
Capital work-in-progress	3.15	29.14	7.71
Goodwill	85.20	76.80	76.61
Other Intangible assets	2,227.99	2,834.12	2,463.54
Intangible assets under development	243.96	157.51	44.72
Financial assets			
- Investments	3,460.35	2,547.30	2,881.04
- Loans	158.00	133.03	142.73
- Other non-current financial assets	25.40	317.41	37.43
Deferred tax assets (net)	647.26	559.51	642.01
Other non-current assets	78.74	56.63	91.57
Total non-current assets	9,381.03	9,380.68	8,968.66
Current assets			
Financial assets			
- Investments	7,382.85	4,810.64	5,916.31
- Trade receivables (net)	4,778.08	4,838.28	4,847.40
- Cash and cash equivalents	1,080.68	1,754.18	1,343.72
- Other bank balances	459.40	681.97	1,070.25
- Loans	8.05	11.59	6.63
- Other current financial assets	3,488.97	2,041.38	2,758.25
Current tax assets (net)	244.70	191.47	233.50
Other current assets	1,973.51	1,398.31	1,563.41
Total current assets	19,416.24	15,727.82	17,739.47
TOTAL ASSETS	28,797.27	25,108.50	26,708.13
EQUITY AND LIABILITIES			
Equity			
Equity share capital	800.00	800.00	800.00
Other equity	22,029.11	19,457.62	20,471.99
Total Equity	22,829.11	20,257.62	21,271.99
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	15.18	20.20	16.55
Provisions	181.81	167.96	159.75
Deferred tax liabilities (net)	--	217.40	270.41
Total Non-current liabilities	196.99	405.56	446.71
Current liabilities			
Financial liabilities			
- Trade payables	1,917.52	1,499.03	1,673.08
- Other financial liabilities	975.14	487.06	396.33
Other current liabilities	1,257.09	908.93	1,201.02
Provisions	1,512.13	1,354.36	1,599.49
Current tax liabilities (net)	109.29	195.94	119.51
Total current liabilities	5,771.17	4,445.32	4,989.43
TOTAL EQUITY AND LIABILITIES	28,797.27	25,108.50	26,708.13

Audited unconsolidated financial information

₹ in Million

Particulars	Quarter ended			Half year ended		Year ended
	Sept. 30, 2018 (Audited)	June 30, 2018 (Audited)	Sept. 30, 2017 (Audited)	Sept. 30, 2018 (Audited)	Sept. 30, 2017 (Audited)	March 31, 2018 (Audited)
Revenue from operations (net)	4,936.30	4,619.91	4,374.91	9,556.21	8,647.35	17,327.49
Profit before tax	1,306.23	1,205.40	1,159.94	2,511.63	2,190.73	4,552.16
Profit after tax	896.82	923.25	864.10	1,820.07	1,615.24	3,421.17

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 maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Chairman and Managing Director.
- Costs related to research and development are included under identifiable expenses for the purpose of segment reporting.

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 and half year ended September 30, 2018, have been taken on record by the Board of Directors at its meeting concluded on October 21, 2018 as recommended by the Audit Committee at its meeting held on October 20, 2018. The statutory auditors have expressed an unqualified audit opinion.
- "Adoption of Ind AS 115 - Revenue from contracts with customers: Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant on the financial statements."
- Persistent Systems Inc, the wholly owned subsidiary of Persistent Systems Limited, has completed the acquisition of Herald Technologies Inc, a USA based healthcare startup on August 24, 2018. Accordingly, above results include the financial performance of Herald Technologies Inc.
- As of September 30, 2018, Persistent Systems Limited ("the Parent Company") had deposits of ₹ 430.00 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"). These are due for maturity from January 2019 to June 2019. In August 2018, credit rating agency - ICR, has significantly downgraded the IL&FS Group's rating and subsequently it is noted that the Government of India and various regulators have intervened in the matter. As of September 30, 2018, there have been no defaults in payment of interest on the aforesaid deposits. Accordingly, the management of the Parent Company believes that there is no immediate need to recognize any impairment on the above deposits as of September 30, 2018. The Parent Company will continue to monitor the developments in this matter for the purpose of determining the financial reporting impact, if any.
- Figures for the previous periods/year have been regrouped wherever necessary to conform to current period's presentation for segment disclosure.

By order of Board of Directors of Persistent Systems Limited

Pune
October 21, 2018

Dr. Anand Deshpande
Chairman and Managing Director

Kiran Umrookar
Director

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

**INDEPENDENT AUDITORS' REPORT ON AUDIT OF INTERIM CONSOLIDATED
FINANCIAL RESULTS**

TO THE BOARD OF DIRECTORS OF PERSISTENT SYSTEMS LIMITED

1. We have audited the accompanying Statement of 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 and six months ended 30 September 2018 ("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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been compiled from the related interim consolidated Ind AS 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 of such interim consolidated Ind AS financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 effectiveness of the Parent's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the 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.

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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 referred to in paragraph 5 below, the Statement:

(i) includes the results of the following entities:

- Persistent Systems, Inc.
- Persistent Systems Pte Limited
- Persistent Systems France SAS
- Persistent Telecom Solutions Inc.
- Persistent Systems Malaysia Sdn. Bhd.
- Akshat Corporation (d.b.a. RGen Solutions)
- Aepona Holdings Limited
- Parx Werk AG
- Herald Technologies Inc.
- Aepona Group Limited
- Aepona Limited
- Valista Limited
- Persistent Systems Lanka (Private) Limited
- Persistent Systems Mexico, S.A. de C.V.
- Persistent Systems Israel Ltd.
- 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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and

(iii) gives a true and fair view in conformity with the aforesaid Accounting Standards 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 and six months ended 30 September 2018.

5. We did not audit the financial statements of 16 (sixteen) subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs. 916.37 Million as at 30 September 2018, total revenues of Rs. 1,327.44 Million and Rs. 2,818.85 Million respectively, total net loss after tax of Rs. 1,107.82 Million and Rs. 1,147.73 Million respectively and total comprehensive income of Rs. 181.88 Million and Rs. 103.23 Million respectively for the quarter and six months ended on that date, as considered in the consolidated financial results. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, 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.

The consolidated financial results includes the Group's share of profit/(loss) after tax of Rs. Nil and total comprehensive income/(loss) of Rs. Nil for the quarter and six months ended 30 September 2018 as considered in the consolidated financial results 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.

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**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: 21 October 2018


Hemant M. Joshi
Partner
(Membership No. 038019)

Audited consolidated financial results of Persistent Systems Limited for the quarter and half year ended September 30, 2018

in ₹ Million

Sr. No.	Particulars		Quarter ended			Half Year ended		Year ended
			September 30, 2018 (Audited)	June 30, 2018 (Audited)	September 30, 2017 (Audited)	September 30, 2018 (Audited)	September 30, 2017 (Audited)	March 31, 2018 (Audited)
1	Revenue from operations (net)		8,355.57	8,342.81	7,612.52	16,698.38	14,892.67	30,337.03
2	Other income		232.21	186.75	336.34	418.96	704.25	1,191.01
3	Total income	(1+2)	8,587.78	8,529.56	7,948.86	17,117.34	15,596.92	31,528.04
4	Expenses							
	- Employee benefits expense		4,862.36	4,618.37	4,668.13	9,480.73	9,044.63	18,316.46
	- Cost of professionals		877.05	844.68	809.27	1,721.73	1,538.40	3,180.63
	- Finance costs		1.07	0.28	0.16	1.35	0.33	0.79
	- Depreciation and amortization expense		398.58	400.81	379.44	799.39	771.35	1,584.87
	- Other expenses		1,179.93	1,479.17	977.30	2,659.10	2,108.25	4,152.68
	Total Expenses		7,318.99	7,343.31	6,834.30	14,662.30	13,462.96	27,235.43
5	Profit before exceptional items and tax	(3-4)	1,268.79	1,186.25	1,114.56	2,455.04	2,133.96	4,292.61
6	Exceptional items		-	-	-	-	-	-
7	Profit before tax	(5-6)	1,268.79	1,186.25	1,114.56	2,455.04	2,133.96	4,292.61
8	Tax expense							
	- Current tax		422.37	356.05	350.67	778.42	628.56	1,203.99
	- Tax (credit)/charge in respect of earlier years		2.90	-	0.01	2.90	(12.24)	(71.19)
	- Deferred tax charge / (credit)		(37.89)	(43.28)	(62.35)	(81.17)	(59.48)	(71.40)
	Total tax expense		387.38	312.77	288.33	700.15	556.84	1,061.73
9	Profit for the period / year from continuing operations	(7-8)	881.41	873.48	826.23	1,754.89	1,577.12	3,230.88
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)	881.41	873.48	826.23	1,754.89	1,577.12	3,230.88
14	Other comprehensive income							
	A. Items that will not be reclassified to profit and loss							
	- Remeasurments of the defined benefit liabilities / (asset)		(12.79)	(13.05)	14.21	(25.84)	56.74	106.88
			(12.79)	(13.05)	14.21	(25.84)	56.74	106.88
	B. Items that may be reclassified to profit and loss							
	- Effective portion of cash flow hedge		(139.16)	(159.13)	(92.32)	(298.29)	(159.10)	(191.81)
	- Exchange differences in translating the financial statements of foreign operations		185.91	151.80	50.42	337.71	72.09	77.70
			46.75	(7.33)	(41.90)	39.42	(87.01)	(114.11)
	Total other comprehensive income for the period / year	(A+B)	33.96	(20.38)	(27.69)	13.58	(30.27)	(7.23)
15	Total comprehensive income for the period / year (Comprising Profit (Loss) and Other Comprehensive Income for the period / year)	(13+14)	915.37	853.10	798.54	1,768.47	1,546.85	3,223.65
16	Paid-up equity share capital (Face value of share ₹ 10 each)		800,000	800,000	800,000	800,000	800,000	800,000
17	Reserves excluding revaluation reserves		-	-	-	-	-	20,471.99
18	Earnings per equity share (for continuing operations) in ₹							
	- Basic		11.02	10.92	10.33	21.94	19.71	40.39
	- Diluted		11.02	10.92	10.33	21.94	19.71	40.39
19	Earnings per equity share (for discontinued operations) in ₹							
	- Basic		-	-	-	-	-	-
	- Diluted		-	-	-	-	-	-
20	Earnings per equity share (for discontinued and continuing operations) in ₹							
	- Basic		11.02	10.92	10.33	21.94	19.71	40.39
	- Diluted		11.02	10.92	10.33	21.94	19.71	40.39
21	Dividend per share (in ₹)							
	Interim dividend		-	-	-	-	-	7
	Final dividend		-	-	-	-	-	3
	Total dividend		-	-	-	-	-	10

Anand Deshpande

Audited consolidated statement of assets and liabilities

in ₹ Million

Particulars	in ₹ Million		
	As at September 30, 2018 (Audited)	As at September 30, 2017 (Audited)	As at March 31, 2018 (Audited)
ASSETS			
Non-current assets			
Property, Plant and Equipment	2,450.98	2,669.23	2,581.30
Capital work-in-progress	3.15	29.14	7.71
Goodwill	85.20	76.80	76.61
Other intangible assets	2,227.99	2,834.12	2,463.54
Intangible assets under development	243.96	157.51	44.72
Financial assets			
- Investments	3,460.35	2,547.30	2,881.04
- Loans	158.00	133.03	142.73
- Other non-current financial assets	25.40	317.41	37.43
Deferred tax assets (net)	647.26	559.51	642.01
Other non-current assets	78.74	36.63	91.57
Total non-current assets	9,381.03	9,380.68	8,968.66
Current assets			
Financial assets			
- Investments	7,382.85	4,810.64	59,16.31
- Trade receivables (net)	4,778.08	4,838.28	4,847.40
- Cash and cash equivalents	1,080.68	1,754.18	1,343.72
- Other bank balances	459.40	681.97	1,070.25
- Loans	8.05	11.59	6.63
- Other current financial assets	3,488.97	2,041.38	2,758.25
Current tax assets (net)	244.70	191.47	233.50
Other current assets	1,973.31	1,398.31	1,563.41
Total current assets	19,416.24	15,727.82	17,739.47
TOTAL ASSETS	28,797.27	25,108.50	26,708.13
EQUITY AND LIABILITIES			
Equity			
Equity share capital	80000	80000	80000
Other equity	22,029.11	19,457.62	20,471.99
Total Equity	22,829.11	20,257.62	21,271.99
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	15.18	20.20	1655
Provisions	181.81	167.96	159.75
Deferred tax liabilities (net)	-	217.40	270.41
Total Non-current liabilities	196.99	405.56	446.71
Current liabilities			
Financial liabilities			
- Trade payables	1,917.52	1,499.03	1,673.08
- Other financial liabilities	975.14	487.06	396.33
Other current liabilities	1,257.09	908.93	1,201.02
Provisions	1,512.13	1,354.36	1,599.49
Current tax liabilities (net)	109.29	195.94	119.51
Total current liabilities	5,771.17	4,445.32	4,989.43
TOTAL EQUITY AND LIABILITIES	28,797.27	25,108.50	26,708.13

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Anand Deshpande



Audited unconsolidated financial information

in ₹ Million

Particulars	Quarter ended			Half Year ended		Year ended
	September 30, 2018 (Audited)	June 30, 2018 (Audited)	September 30, 2017 (Audited)	September 30, 2018 (Audited)	September 30, 2017 (Audited)	March 31, 2018 (Audited)
Revenue from operations	4,936.30	4,619.91	4,374.91	9,556.21	8,647.35	17,327.49
Profit before tax	1,316.23	1,205.40	1,159.94	2,511.63	2,191.73	4,552.16
Profit after tax	896.82	923.25	861.10	1,820.07	1,615.24	3,421.17

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)

Accordingly, the corresponding figures for the earlier reporting periods are restated in line with the above reorganization.

in ₹ Million

Sr. No.	Particulars	Quarter ended			Half Year ended		Year ended
		September 30, 2018 (Audited)	June 30, 2018 (Audited)	September 30, 2017 (Audited)	September 30, 2018 (Audited)	September 30, 2017 (Audited)	March 31, 2018 (Audited)
1	Segment revenue						
	- Technology Services	5,436.54	5,243.17	4,915.84	10,679.71	9,466.95	19,371.11
	- Alliance	2,466.94	2,690.68	2,081.76	5,157.62	4,215.64	8,725.06
	- Accelerite (Products)	452.09	408.96	614.92	861.05	1,220.08	2,240.86
	Total	8,355.57	8,342.81	7,612.52	16,698.38	14,892.67	30,337.03
2	Less: Inter segment revenue	-	-	-	-	-	-
3	Net sales/income from operations	8,355.57	8,342.81	7,612.52	16,698.38	14,892.67	30,337.03
4	Segment results profit/ (loss) before tax, interest and depreciation and amortization						
	- Technology Services	2,034.70	1,998.56	1,823.00	4,033.26	3,481.20	7,408.18
	- Alliance	826.50	860.37	657.09	1,686.87	1,356.02	2,699.89
	- Accelerite (Products)	241.80	162.27	283.03	404.07	517.15	1,054.29
	Total	3,103.00	3,021.20	2,763.12	6,124.20	5,374.57	11,162.36
5	Less:						
	- Finance costs	1.07	0.28	0.16	1.35	0.33	0.79
	- Other un-allocable expenses	2,063.35	2,021.42	1,984.74	4,086.77	3,944.53	8,059.97
6	Un-allocable income	232.21	186.75	336.34	418.96	704.25	1,191.01
7	Total profit before tax	1,268.79	1,186.25	1,114.56	2,455.04	2,133.96	4,292.61
8	Segment assets	As at					
		September 30, 2018 (Audited)	September 30, 2017 (Audited)	September 30, 2017 (Audited)	September 30, 2018 (Audited)	September 30, 2017 (Audited)	March 31, 2018 (Audited)
	- Technology Services	3,426.75	3,641.28	3,641.28	3,426.75	3,641.28	3,675.96
	- Alliance	1,100.09	667.79	667.79	1,100.09	667.79	740.27
	- Accelerite (Products)	251.24	529.21	529.21	251.24	529.21	431.17
	Total allocable segment assets	4,778.08	4,838.28	4,838.28	4,778.08	4,838.28	4,847.40
	Unallocable assets	24,019.19	20,270.22	20,270.22	24,019.19	20,270.22	21,840.71
	Total assets	28,797.27	25,108.50	25,108.50	28,797.27	25,108.50	26,708.13

Notes for segment wise information:

- i) Operating segments are components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Chairman and Managing Director.
- ii) Costs related to research and development are included under identifiable expenses for the purpose of segment reporting.

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.

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Notes:

- 1 The audited condensed consolidated financial statements for the quarter and half year ended September 30, 2018, have been taken on record by the Board of Directors at its meeting concluded on October 21, 2018 as recommended by the Audit Committee at its meeting held on October 20, 2018. The statutory auditors have expressed an unqualified audit opinion.
- 2 Adoption of Ind AS 115 - Revenue from contracts with customers:
Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant on the financial statements.
- 3 Persistent Systems Inc. the wholly owned subsidiary of Persistent Systems Limited, has completed the acquisition of Herald Technologies Inc, a USA based healthcare startup on August 24, 2018. Accordingly, above results include the financial performance of Herald Technologies Inc.
- 4 As of September 30, 2018, Persistent Systems Limited ("the Parent Company") had deposits of ₹ 430.00 million with the financial institutions (refer Schedule 37) viz. Infrastructure Leasing & Financial Services Ltd. (IL&FS) and IL&FS Financial Services Ltd. (referred to as "IL&FS Group"). These are due for maturity from January 2019 to June 2019. In August 2018, credit rating agency - ICRA, has significantly downgraded the IL&FS Group's rating and subsequently it is noted that the Government of India and various regulators have intervened in the matter. As of September 30, 2018, there have been no defaults in payment of interest on the aforesaid deposits. Accordingly, the management of the Parent Company believes that there is no immediate need to recognize any impairment on the above deposits as of September 30, 2018. The Parent Company will continue to monitor the developments in this matter for the purpose of determining the financial reporting impact, if any.
- 5 Figures for the previous periods/year have been regrouped wherever necessary to conform to current period's presentation for segment disclosure.

Pune
October 21, 2018

Anand Deshpande

Dr. Anand Deshpande
Chairman and Managing Director

Kiran Umroolkar

Kiran Umroolkar
Director



INDEPENDENT AUDITORS' 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 Standalone Financial Results of **PERSISTENT SYSTEMS LIMITED** ("the Company"), for the quarter and six months ended 30 September 2018 ("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 modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016.
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 interim Ind AS 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 ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such interim standalone Ind AS financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the 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.



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**Deloitte
Haskins & Sells LLP**

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 modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016; and
 - b. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter and six months ended 30 September 2018.

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

Place: Pune
Date: 21 October 2018


Hemant M. Joshi
Partner
(Membership No. 038019)

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

Audited unconsolidated financial results of Persistent Systems Limited for the quarter and half year ended September 30, 2018

(In ₹ Million)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		September 30, 2018 (Audited)	June 30, 2018 (Audited)	September 30, 2017 (Audited)	September 30, 2018 (Audited)	September 30, 2017 (Audited)	March 31, 2018 (Audited)
1	Revenue from operations	4,936.30	4,619.91	4,374.91	9,556.21	8,647.35	17,327.49
2	Other income	369.39	194.82	365.50	564.21	741.45	1,276.82
3	Total income	5,305.69	4,814.73	4,740.41	10,120.42	9,388.80	18,604.31
4	Expenses						
	- Employee benefits expense	2,318.34	2,260.79	2,239.02	4,579.13	4,384.49	8,740.66
	- Cost of professionals	556.74	506.18	566.98	1,062.92	1,159.38	2,133.03
	- Finance costs	0.16	0.11	0.16	0.27	0.33	0.62
	- Depreciation and amortization expense	113.89	117.19	134.12	231.08	286.81	537.81
	- Other expenses	1,010.33	725.06	640.19	1,735.39	1,367.06	2,640.03
	Total Expenses	3,999.46	3,609.33	3,580.47	7,608.79	7,198.07	14,052.15
5	Profit before exceptional items and tax	1,306.23	1,205.40	1,159.94	2,511.63	2,190.73	4,552.16
6	Exceptional items	-	-	-	-	-	-
7	Profit before tax	1,306.23	1,205.40	1,159.94	2,511.63	2,190.73	4,552.16
8	Tax expense						
	- Current tax	405.70	340.80	330.73	746.50	592.36	1,175.90
	- Tax (credit)/charge in respect of earlier years	-	-	-	-	-	(3.99)
	- Deferred tax charge / (credit)	3.71	(58.65)	(34.89)	(54.94)	(16.87)	(40.92)
	Total tax expense	409.41	282.15	295.84	691.56	575.49	1,130.99
9	Profit for the period / year from continuing operations	896.82	923.25	864.10	1,820.07	1,615.24	3,421.17
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	896.82	923.25	864.10	1,820.07	1,615.24	3,421.17
14	Other comprehensive income						
	A. Items that will not be reclassified to profit and loss						
	- Remeasurements of the defined benefit liabilities / (asset)	(12.56)	(12.91)	12.93	(25.47)	60.09	104.97
		(12.56)	(12.91)	12.93	(25.47)	60.09	104.97
	B. Items that may be reclassified to profit and loss						
	- Effective portion of cash flow hedge	(139.16)	(159.13)	(92.32)	(298.29)	(159.10)	(191.81)
		(139.16)	(159.13)	(92.32)	(298.29)	(159.10)	(191.81)
	Total other comprehensive income for the period / year	(151.72)	(172.04)	(79.39)	(323.76)	(99.01)	(86.84)
15	Total comprehensive income for the period / year (Comprising Profit (Loss) and Other Comprehensive Income for the period)	745.10	751.21	784.71	1,496.31	1,516.23	3,334.33
16	Paid-up equity share capital (Face value of share ₹ 10 each)	800.00	800.00	800.00	800.00	800.00	800.00
17	Reserves excluding revaluation reserves						19,732.04
18	Earnings per equity share (for continuing operations) in ₹						
	- Basic	11.21	11.54	10.80	22.75	20.19	42.76
	- Diluted	11.21	11.54	10.80	22.75	20.19	42.76
19	Earnings per equity share (for discontinued operations) in ₹						
	- Basic	-	-	-	-	-	-
	- Diluted	-	-	-	-	-	-
20	Earnings per equity share (for discontinued operations and continuing operations) in ₹						
	- Basic	11.21	11.54	10.80	22.75	20.19	42.76
	- Diluted	11.21	11.54	10.80	22.75	20.19	42.76
21	Dividend per share (in ₹)						
	Interim dividend	-	-	-	-	-	7
	Final dividend	-	-	-	-	-	3
	Total dividend	-	-	-	-	-	10

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Audited statement of assets and liabilities

Particulars	As on September 31, 2018 (Audited)	As on September 31, 2017 (Audited)	As on March 31, 2018 (Audited)
ASSETS			
Non-current assets			
Property, Plant and Equipment	2,198.64	2,383.36	2,323.88
Capital work-in-progress	3.07	14.15	7.32
Other Intangible assets	116.06	161.25	117.48
Intangible assets under development	25.12	0.67	7.44
Financial assets			
- Investments	5,931.17	5,157.85	5,504.85
- Loans	830.60	1,094.61	945.81
- Other non-current financial assets	25.40	317.41	37.43
Deferred tax assets (net)	246.71	-	31.68
Other non-current assets	78.74	54.10	64.00
Total non-current assets	9,455.51	9,183.40	9,039.89
Current assets			
Financial assets			
- Investments	7,382.85	4,810.64	5,916.31
- Trade receivables	3,052.74	4,261.68	3,425.07
- Cash and cash equivalents	265.90	465.55	305.27
- Other bank balances	284.60	674.47	876.62
- Loans	5.96	3.87	4.47
- Other current financial assets	2,903.23	990.46	1,847.70
Other current assets	1,656.64	1,264.34	1,374.62
Total current assets	15,551.92	12,471.01	13,750.06
TOTAL ASSETS	25,007.43	21,654.41	22,789.95
EQUITY AND LIABILITIES			
Equity			
Equity share capital	800.00	800.00	800.00
Other equity	20,968.17	18,575.31	19,732.04
Total Equity	21,768.17	19,375.31	20,532.04
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	15.18	20.20	16.55
Provisions	135.73	145.75	143.37
Deferred tax liabilities (net)	-	9.69	-
Total Non-current liabilities	150.91	175.64	159.92
Current liabilities			
Financial liabilities			
- Trade payables	1,165.65	867.22	716.73
- Other financial liabilities	667.25	272.17	290.86
Other current liabilities	714.07	449.07	562.83
Provisions	471.29	421.61	428.03
Current tax liabilities (net)	700.9	93.39	99.54
Total current liabilities	3,088.35	2,103.46	2,097.99
TOTAL EQUITY AND LIABILITIES	25,007.43	21,654.41	22,789.95

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Anand Deshpande



Notes:

- 1 The audited condensed financial statements for the quarter and half year ended September 30, 2018, have been taken on record by the Board of Directors at its meeting concluded on October 21, 2018 as recommended by the Audit Committee at its meeting held on October 20, 2018. The statutory auditors have expressed an unqualified audit opinion.
- 2 Adoption of Ind AS 115 - Revenue from contracts with customers:
Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant on the financial statements.
- 3 As of September 30, 2018, the Company had deposits of ₹ 430.00 million with the financial institutions (refer Schedule 16) viz. Infrastructure Leasing & Financial Services Ltd. (IL&FS) and IL&FS Financial Services Ltd. (referred to as "IL&FS Group"). These are due for maturity from January 2019 to June 2019. In August 2018, credit rating agency - ICRA, has significantly downgraded the IL&FS Group's rating and subsequently it is noted that the Government of India and various regulators have intervened in the matter. As of September 30, 2018, there have been no defaults in payment of interest on the aforesaid deposits. Accordingly, the management of the Company believes that there is no immediate need to recognize any impairment on the above deposits as of September 30, 2018. The Company will continue to monitor the developments in this matter for the purpose of determining the financial reporting impact, if any.

By order of Board of Directors of Persistent Systems Limited

Anand Deshpande

Dr. Anand Deshpande
Chairman and Managing Director

Kiran Umrootkar

Kiran Umrootkar
Director



Pune
October 21, 2018

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