



PERSISTENT

NSE & BSE / 2019-20 / 74
November 4, 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 November 3, 2019 and concluded at 1550 HRS (IST) on November 4, 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 and half year ended September 30, 2019 have been approved. Accordingly, we enclose the following documents:
1. Auditors' Report dated November 4, 2019 on the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2019;
 2. Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2019;
 3. Auditors' Report dated November 4, 2019 on the Unconsolidated Financial Results of the Company for the quarter and half year ended September 30, 2019;
 4. Unconsolidated Financial Results of the Company for the quarter and half year ended September 30, 2019
- B. The Board of Directors has approved the appointment of M/s. PVS and Associates, Practicing Company Secretaries as the Auditor for conducting the Secretarial Audit of the Company for the Financial Year 2019-20.

Please acknowledge the receipt.

Thanking you,

Yours sincerely,
For **Persistent Systems Limited**


Amit Atre
Company Secretary
ICSI Membership Number: ACS 20507



Encl: As above

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

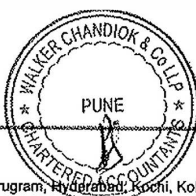
To the Board of Directors of Persistent Systems Limited

Opinion

1. We have audited the accompanying statement of consolidated 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 quarter ended 30 September 2019 and the consolidated year-to-date results for the period 01 April 2019 to 30 September 2019, 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 financial statements of the subsidiaries and associate, the Statement:
 - (i) includes the financial results for the quarter ended 30 September 2019 and the year to date results for the period 01 April 2019 to 30 September 2019, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), 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 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 ('the Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the consolidated net profit after tax (including other comprehensive income) and other financial information of the Group and its associate for the quarter ended 30 September 2019 as well as the consolidated year-to-date results for the period 01 April 2019 to 30 September 2019.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



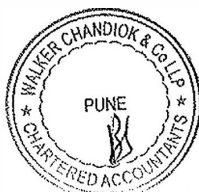
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Basis for Opinion

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 ('ICAI') together with the ethical requirements that are relevant to our audit of the Statement 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.

Responsibilities of Management and Those Charged with Governance for the Statement

4. The Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared on the basis of the interim consolidated financial statements. The Holding Company's Board of Directors is responsible for the preparation of the Statement that give a true and fair view of the consolidated profit or loss (consolidated financial performance including other comprehensive income) and other financial information of the Group and its associate in accordance with the recognition and measurement principles laid down in Ind AS 34 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 read with SEBI Circular.
5. The respective Board of Directors of the companies included in the Group and its associate, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the companies included in the Group and its associate, covered under the Act 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 give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
6. In preparing the Statement, the respective Board of Directors of the companies included in the Group and of 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 Board of Directors either intend to liquidate the Group and its associate or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors are also 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

8. 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 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.
9. As part of an audit in accordance with 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, but not for the purpose of expressing an opinion on whether the Group, its associates have 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 management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its 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 represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial results 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.



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10. 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.
11. 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.
12. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

Other Matters

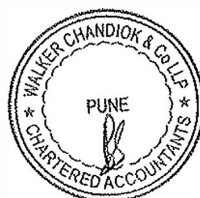
13. We did not audit the interim financial results of sixteen subsidiaries included in the Statement, whose financial information reflect total assets of ₹ 4,413.78 million as at 30 September 2019, and, total revenues of ₹ 1,290.96 million and ₹ 2,461.22 million, net loss after tax of ₹ 170.70 million and net profit after tax of ₹ 57.65 million, total comprehensive income/(loss) of ₹ (63.35) million and ₹ 185.84 for the quarter and half year ended on 30 September 2019, respectively, and cash flows net of ₹ 94.92 million for the half year ended 30 September 2019, as considered in the Statement. These interim financial results 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 this matter.

The Statement also includes the Group's share of net profit after tax of ₹ Nil and ₹ Nil, and total comprehensive income of ₹ Nil and ₹ Nil for the quarter and half year period ended 30 September 2019 respectively, in respect of one associate, based on their interim financial results, which have not been audited by their auditors, These interim financial results have been furnished to us by the Holding Company's management. Our opinion on the Statement, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), read with SEBI Circulars, in so far as it relates to the aforesaid associate is based solely on such unaudited interim financial results. In our opinion and according to the information and explanations given to us by the management, these interim financial results are not material to the Group.

Our opinion is not modified in respect of this matter.

14. 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 by the management, 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.



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15. The audit of consolidated quarterly and year-to-date financial results for the period ended 30 September 2018 and audit of consolidated financial results for the 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 reports dated 21 October 2018 and 27 April 2019, respectively, 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.

For Walker Chandiok & Co LLP

Chartered Accountants

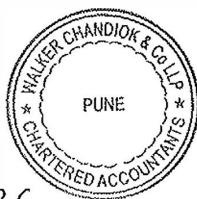
Firm's Registration No.: 001076N/N500013



Bharat Shetty

Partner

Membership No. 106815



UDIN: 19106815AAAADL2086

Place: Pune

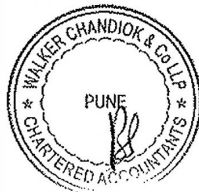
Date: 04 November 2019

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Annexure 1

List of entities included in the Statement

Name of Entity	Relationship
Persistent Systems Limited (PSL)	Holding Company
Persistent Systems, Inc. (PSI)	Wholly owned subsidiary of PSL
Persistent Systems Pte Ltd.	Wholly owned subsidiary of PSL
Persistent Systems France SAS	Wholly owned subsidiary of PSL
Persistent Systems Malaysia Sdn. Bhd.	Wholly owned subsidiary of PSL
Persistent Systems Germany GmbH (PSGG)	Wholly owned subsidiary of PSL
Persistent Telecom Solutions Inc.	Wholly owned subsidiary of PSI
Aepona Holdings Limited (AHL)	Wholly owned subsidiary of PSI
Aepona Group Limited (AGL)	Wholly owned subsidiary of AHL
Aepona Limited	Wholly owned subsidiary of AGL
Valista Limited (VL)	Wholly owned subsidiary of AGL
Youperience GmbH (YGmbH)	Wholly owned subsidiary of PSGG
Youperience Limited	Wholly owned subsidiary of YGmbH
Persistent Systems Lanka (Private) Limited	Wholly owned subsidiary of VL
Persistent Systems Mexico, S.A. de C.V.	Wholly owned subsidiary of PSI
Persistent Systems Israel Ltd	Wholly owned subsidiary of PSI
PARX Werk AG	Wholly owned subsidiary of PSGG
PARX Consulting GmbH	Wholly owned subsidiary of PARX Werk AG
Klisma e-Services Private Limited	Associate Company of PSL



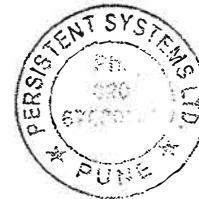
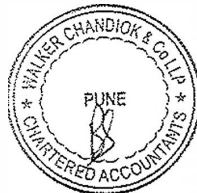
Persistent Systems Limited

Registered 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 consolidated financial results of Persistent Systems Limited for the quarter and half year ended September 30, 2019

in ₹ Million

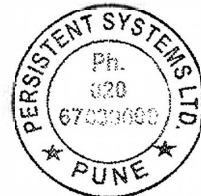
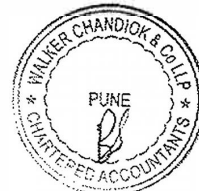
Sr. No.	Particulars		Quarter ended			Half Year ended		Year ended
			September 30, 2019 (Audited)	June 30, 2019 (Audited)	September 30, 2018 (Audited)	September 30, 2019 (Audited)	September 30, 2018 (Audited)	March 31, 2019 (Audited)
	Income							
1	Revenue from operations		8,846.00	8,321.14	8,355.57	17,167.14	16,698.38	33,659.41
2	Other income		382.46	300.36	252.21	662.82	418.96	876.55
3	Total income	(1+2)	9,228.46	8,621.50	8,587.78	17,849.96	17,117.34	34,535.96
4	Expenses							
	- Employee benefits expense		5,369.71	4,916.25	4,862.36	10,285.96	9,480.73	19,249.53
	- Cost of professionals		897.18	859.82	877.05	1,757.00	1,721.73	3,490.45
	- Finance costs		18.38	18.50	1.07	36.88	1.35	3.05
	- Depreciation and amortization expense		424.90	386.17	398.58	811.07	799.39	1,572.51
	- Other expenses		1,362.66	1,343.15	1,179.93	2,705.81	2,659.10	5,357.03
	Total Expenses		8,072.83	7,523.89	7,318.99	15,596.72	14,662.30	29,672.57
5	Profit before exceptional items and tax	(3-4)	1,155.63	1,097.61	1,268.79	2,253.24	2,455.04	4,863.39
6	Exceptional items		-	-	-	-	-	-
7	Profit before tax	(5-6)	1,155.63	1,097.61	1,268.79	2,253.24	2,455.04	4,863.39
8	Tax expense							
	- Current tax		289.72	350.55	422.37	640.27	778.42	1,343.20
	- Tax charge / (credit) in respect of earlier years		(1.37)	-	2.90	(1.37)	2.90	88.81
	- Deferred tax charge / (credit)		6.56	(77.64)	(37.89)	(71.08)	(81.17)	(85.41)
	Total tax expense		294.91	272.91	387.38	567.82	700.15	1,346.60
9	Profit for the period / year	(7-8)	860.72	824.70	881.41	1,685.42	1,754.89	3,516.79
10	Other comprehensive income							
	A. Items that will not be reclassified to profit and loss							
	- Remeasurements of the defined benefit liabilities / assets (net of tax)		(10.03)	(26.37)	(12.79)	(36.40)	(25.84)	(47.15)
			(10.03)	(26.37)	(12.79)	(36.40)	(25.84)	(47.15)
	B. Items that may be reclassified to profit and loss							
	- Effective portion of cash flow hedge (net of tax)		(124.71)	(23.19)	(139.16)	(147.90)	(298.29)	168.43
	- Exchange differences in translating the financial statements of foreign operations		83.04	(0.63)	185.91	82.41	337.71	113.82
			(41.67)	(23.82)	46.75	(65.49)	39.42	282.25
	Total other comprehensive income for the period / year	(A+B)	(51.70)	(50.19)	33.96	(101.89)	13.58	235.10
11	Total comprehensive income for the period / year (Comprising Profit / (Loss) and Other Comprehensive Income for the period / year)	(9+10)	809.02	774.51	915.37	1,583.53	1,768.47	3,751.89
12	Paid-up equity share capital (Face value of share ₹ 10 each)		764.25	791.19	800.00	764.25	800.00	791.19
13	Other equity excluding revaluation reserves							22,655.61
14	Earnings per equity share in ₹							
	- Basic		11.26	10.65	11.02	21.90	21.94	43.99
	- Diluted		11.26	10.65	11.02	21.90	21.94	43.99
15	Dividend per share (in ₹) (Nominal value per share ₹ 10)							
	Interim dividend		-	-	-	-	-	8.00
	Final dividend		-	-	-	-	-	3.00
	Total dividend		-	-	-	-	-	11.00



Audited consolidated statement of assets and liabilities

in ₹ Million

Particulars	As at September 30, 2019 (Audited)	As at September 30, 2018 (Audited)	As at March 31, 2019 (Audited)
ASSETS			
Non-current assets			
Property, Plant and Equipment	2,338.71	2,450.98	2,331.24
Capital work-in-progress	6.34	3.15	12.10
Right-of-use assets	625.11	-	-
Goodwill	90.06	85.20	81.24
Other Intangible assets	1,819.07	2,227.99	1,595.41
Intangible assets under development	142.50	243.96	303.54
Financial assets			
- Investments	3,658.58	3,460.35	4,345.71
- Loans	146.13	158.00	164.00
- Other non-current financial assets	355.45	25.40	344.33
Deferred tax assets (net)	613.16	647.26	405.05
Other non-current assets	407.45	78.74	68.31
Total non-current assets	10,202.56	9,381.03	9,650.93
Current assets			
Financial assets			
- Investments	1,522.23	7,382.85	3,295.53
- Trade receivables (net)	5,049.74	4,778.08	4,923.01
- Cash and cash equivalents	1,350.67	1,080.68	1,739.45
- Other bank balances	5,734.38	459.40	4,989.35
- Loans	34.41	8.05	7.87
- Other current financial assets	2,357.40	3,488.97	2,377.00
Current tax assets (net)	134.70	244.70	185.06
Other current assets	1,747.72	1,973.51	1,387.79
Total current assets	17,931.25	19,416.24	18,905.06
TOTAL ASSETS	28,133.81	28,797.27	28,555.99
EQUITY AND LIABILITIES			
Equity			
Equity share capital	764.25	800.00	791.19
Other equity	22,293.43	22,029.11	22,655.61
Total Equity	23,057.68	22,829.11	23,446.80
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	10.61	15.18	11.97
- Other long-term financial liabilities	485.50	1.83	1.83
Provisions	186.98	153.56	174.94
Total Non-current liabilities	683.09	170.57	188.74
Current liabilities			
Financial liabilities			
- Trade payables	1,403.84	1,917.52	1,517.07
- Other financial liabilities	746.87	975.14	441.93
Other current liabilities	1,006.65	1,255.26	1,122.44
Provisions	1,235.68	1,540.38	1,764.21
Current tax liabilities (net)	-	109.29	74.80
Total current liabilities	4,393.04	5,797.59	4,920.45
TOTAL EQUITY AND LIABILITIES	28,133.81	28,797.27	28,555.99



CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2019

	For the half year ended		For the year ended
	September 30, 2019	September 30, 2018	March 31, 2019
	In ₹ Million	In ₹ Million	In ₹ Million
Cash flow from operating activities			
Profit before tax	2,263.24	2,465.04	4,863.39
Adjustments for:			
Interest income	(279.52)	(132.58)	(287.72)
Discount allowed	75.54	-	76.92
Finance costs	36.88	1.35	3.05
Dividend income	(13.95)	(83.88)	(180.77)
Depreciation and amortization expense	811.07	799.39	1,572.51
Amortization of lease premium	0.29	0.29	0.58
Unrealised exchange loss/ (gain) (net)	(12.80)	(47.84)	106.52
Change in foreign currency translation reserve	99.34	75.86	(86.85)
Exchange loss/ (gain) on derivative contracts	(61.47)	126.96	20.51
Exchange (gain) / loss on translation of foreign currency cash and cash equivalents	(8.37)	11.99	71.36
Donations in kind	-	-	1.40
Bad debts	-	70.28	71.18
Provision for doubtful receivables (net) / (provision written back)	29.73	(26.34)	(4.89)
Employee stock compensation expenses	93.36	-	-
Provision for doubtful deposits and advances	150.00	-	182.50
Provision for diminution in value of investments	-	-	13.98
Remeasurements of the defined benefit liabilities / asset (before tax effects)	(49.10)	(38.20)	(70.36)
Excess provision in respect of earlier years written (back)	(4.60)	(20.07)	(33.89)
(Gain) / loss on fair valuation of assets designated at FVTPL	20.47	115.69	68.92
(Profit) / loss on sale of investments (net)	(144.17)	(213.57)	(366.09)
(Profit) / loss on sale of Property, Plant and Equipment (net)	(0.50)	(1.51)	(4.02)
Operating profit before working capital changes	2,995.44	3,094.86	6,018.23
Movements in working capital:			
(Increase) / Decrease in non-current and current loans	(5.14)	(2.57)	(5.55)
(Increase) / Decrease in other non-current assets	(338.56)	(14.17)	(1.68)
(Increase) / Decrease in other current financial assets	(413.07)	(557.23)	(135.26)
(Increase) / Decrease in other current assets	(356.30)	(410.10)	175.52
(Increase) / Decrease in trade receivables	(142.59)	67.16	(322.95)
Increase / (Decrease) in trade payables, current liabilities and non-current liabilities	(362.79)	351.24	(180.13)
Increase / (Decrease) in provisions	(516.49)	(65.30)	179.91
Operating profit after working capital changes	860.48	2,463.89	5,728.19
Direct taxes paid (net of refunds)	(661.49)	(790.38)	(1,405.07)
Net cash generated from operating activities	198.99	1,673.51	4,323.12
Cash flows from investing activities			
Payment towards capital expenditure (including intangible assets)	(429.11)	(186.16)	(379.06)
Proceeds from sale of Property, Plant and Equipment	9.79	1.94	5.04
Acquisition of step-down subsidiary including cash and cash equivalents of ₹ 37.35 million (Previous period / year ₹ 0.35 million)	(435.48)	(148.15)	(148.15)
Purchase of bonds	(171.48)	(529.89)	(1,175.31)
Proceeds from sale / maturity of bonds	330.38	-	199.43
Purchase of non-current investments	-	(144.96)	(144.96)
Proceeds from sale of non-current investments	25.22	-	-
Investments in mutual funds	(7,780.50)	(11,581.81)	(22,418.13)
Proceeds from sale / maturity of mutual funds	10,212.14	10,369.76	25,010.64
Investments in bank deposits having original maturity over three months	(1,707.95)	(1,850.12)	(8,094.22)
Maturity of bank deposits having original maturity over three months	715.00	2,112.51	4,044.20
Investments in deposits with financial institutions	-	(300.00)	(300.00)
Maturity of deposits with financial institutions	250.00	150.35	650.35
Non-current loans placed	-	(14.12)	(16.96)
Interest received	326.08	173.23	327.33
Dividends received	13.95	83.88	180.77
Net cash generated from / (used in) investing activities	1,358.04	(1,663.64)	(2,268.97)



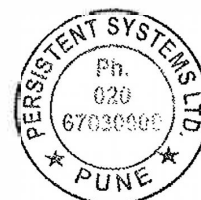
CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2019

	For the half year ended September 30, 2019 In ₹ Million	September 30, 2018 In ₹ Million	For the year ended March 31, 2019 In ₹ Million
Cash flows from financing activities			
(Repayment of) long term borrowings	(3.21)	(3.22)	(4.58)
Shares bought back	(1,877.01)	-	(571.41)
Specific project related grant received	3.00	4.50	-
Interest paid	(37.04)	(2.12)	(3.66)
Dividends paid	(229.28)	(241.41)	(881.41)
Tax on dividend paid	(47.99)	(20.18)	(137.41)
Net cash used in financing activities	(1,981.53)	(262.43)	(1,698.47)

	For the half year ended September 30, 2019 In ₹ Million	September 30, 2018 In ₹ Million	For the year ended March 31, 2019 In ₹ Million
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(434.50)	(252.46)	465.68
Cash and cash equivalents at the beginning of the period / year	1,739.45	1,345.13	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	8.37	(11.99)	(71.36)
Cash and cash equivalents at the end of the period / year	1,350.67	1,080.68	1,739.46
Components of cash and cash equivalents			
Cash on hand	0.28	0.25	0.22
Cheques on hand	-	5.33	-
Balances with banks			
On current accounts*	1,162.76	927.77	1,300.93
On saving accounts	0.60	20.20	0.91
On Exchange Earning Foreign Currency accounts	187.03	127.13	114.91
On deposit accounts with original maturity less than three months	-	-	229.54
On Escrow accounts**	-	-	92.94
Cash and cash equivalents	1,350.67	1,080.68	1,739.46

* Out of the cash and cash equivalents balance as at September 30, 2019, the Group can utilise ₹ 5.14 Million (Corresponding period : ₹ 2.98 Million / Previous year: ₹ 2.15 Million) only towards research and development activities specified in an agreement.

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



Audited unconsolidated financial information

Particulars	Quarter ended			Half Year ended		Year ended
	September 30, 2019 (Audited)	June 30, 2019 (Audited)	September 30, 2018 (Audited)	September 30, 2019 (Audited)	September 30, 2018 (Audited)	March 31, 2019 (Audited)
Revenue from operations	5,017.09	4,953.95	4,936.30	9,971.04	9,556.21	19,598.67
Profit before tax	1,343.36	1,114.73	1,306.23	2,458.09	2,511.63	4,383.76
Profit after tax	1,068.46	834.39	896.82	1,902.85	1,820.07	3,150.08

in ₹ Million

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)

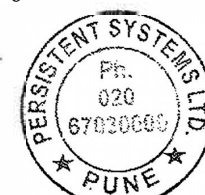
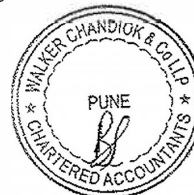
Sr. No.	Particulars	Quarter ended			Half Year ended		Year ended
		September 30, 2019 (Audited)	June 30, 2019 (Audited)	September 30, 2018 (Audited)	September 30, 2019 (Audited)	September 30, 2018 (Audited)	March 31, 2019 (Audited)
1	Segment revenue						
	- Technology Services	5,979.85	5,704.51	5,436.54	11,684.36	10,679.71	22,018.03
	- Alliance	2,492.86	2,312.65	2,466.94	4,805.51	5,157.62	9,759.92
	- Accelerite (Products)	373.29	303.98	452.09	677.27	861.05	1,881.46
	Total	8,846.00	8,321.14	8,355.57	17,167.14	16,698.38	33,659.41
2	Less: Inter segment revenue	-	-	-	-	-	-
3	Net sales/ income from operations	8,846.00	8,321.14	8,355.57	17,167.14	16,698.38	33,659.41
4	Segment results i.e. profit/ (loss) before tax, interest and depreciation and amortization						
	- Technology Services	2,285.07	2,068.09	2,034.70	4,353.17	4,033.26	8,507.67
	- Alliance	849.59	748.61	826.50	1,598.20	1,686.87	3,258.01
	- Accelerite (Products)	186.17	107.92	241.80	294.09	404.07	992.14
	Total	3,320.83	2,924.62	3,103.00	6,245.46	6,124.20	12,797.82
5	Less:						
	- Finance costs	18.38	18.50	1.07	36.88	1.35	3.05
	- Other un-allocable expenses	2,529.28	2,108.87	2,065.35	4,638.16	4,086.77	8,807.93
6	Un-allocable income	382.46	300.36	232.21	682.82	418.96	876.55
7	Profit before tax	1,155.63	1,097.61	1,268.79	2,253.24	2,455.04	4,863.39
8	Segment assets [Trade receivables (net)]	As on					
		September 30, 2019 (Audited)	September 30, 2018 (Audited)	September 30, 2018 (Audited)	September 30, 2019 (Audited)	September 30, 2018 (Audited)	March 31, 2019 (Audited)
	- Technology Services	4,270.88	3,426.75	3,426.75	4,270.88	3,426.75	3,547.07
	- Alliance	554.44	1,100.09	1,100.09	554.44	1,100.09	1,021.77
	- Accelerite (Products)	224.42	251.24	251.24	224.42	251.24	354.17
	Total allocable segment assets	5,049.74	4,778.08	4,778.08	5,049.74	4,778.08	4,923.01
	Unallocable assets	23,084.07	24,019.19	24,019.19	23,084.07	24,019.19	23,632.98
	Total assets	28,133.81	28,797.27	28,797.27	28,133.81	28,797.27	28,555.99

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:

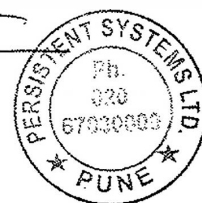
- 1 The audited condensed consolidated financial statements for the quarter ended September 30, 2019, have been taken on record by the Board of Directors at its meeting concluded on November 4, 2019 as recommended by the Audit Committee at its meeting held on November 3, 2019. The statutory auditors have expressed an unqualified audit opinion. The information presented above is extracted from the audited condensed consolidated financial statements.
- 2 The Board of Directors, in its meeting held in January 2019, approved the partial 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 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 ₹ 888.90 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.
- 4 As reported in the previous quarters, Persistent Systems Limited ("the Parent Company") has 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") 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 ₹ 150.00 million during half year ended September 30, 2019, thereby taking the total provision to ₹ 332.50 million for impairment in value of deposits as of September 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.
- 5 Aepona Holdings Limited, Ireland, the wholly owned subsidiary of Persistent Systems Inc., USA and step down subsidiary of the Company, dissolved w.e.f. October 24, 2019.
- 6 The Members of the Company approved the appointment of M/s. Walker Chandio & Co LLP (Firm Registration No. 001076N/N500013) as Statutory Auditors of the Company to hold office from the conclusion of Extra Ordinary General Meeting held on September 4, 2019 up to the conclusion of the 30th Annual General Meeting of the Company to be held in the calendar year 2020 i.e. on or before September 30, 2020.
- 7 The Members at the 29th Annual General Meeting of the Company held on July 24, 2019, had approved payment of Final Dividend of ₹ 3.00 per Equity share of ₹ 10 each for FY 2018-19. Accordingly, ₹ 277.27 Million were paid towards the above Dividend and Dividend Distribution Tax during August 2019.

By order of Board of Directors of Persistent Systems Limited

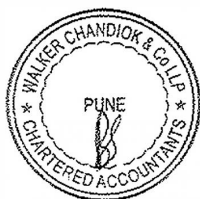
Dr. Anand Deshpande
Chairman and Managing Director

Anand Deshpande

Kiran Umrootkar
Director



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



Pune
November 4, 2019

Walker Chandiook & Co LLP

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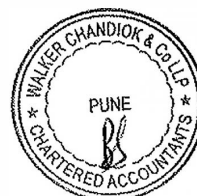
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Independent Auditor's Report on Audited unconsolidated Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Persistent Systems Limited

Opinion

1. We have audited the accompanying statement of unconsolidated financial results ('the Statement') of **Persistent Systems Limited** ('the Company') for the quarter ended 30 September 2019 and the year to date results for the period 01 April 2019 to 30 September 2019, 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 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 of the unconsolidated net profit after tax (including other comprehensive income) and other financial information of the Company for the quarter ended 30 September 2019 and the year to date results for the period 01 April 2019 to 30 September 2019.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Companies Act, 2013 ('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 ('ICAI') together with the ethical requirements that are relevant to our audit of the Statement 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.

Responsibilities of the Management and Those Charged with Governance for the Statement

4. This Statement has been prepared on the basis of the interim unconsolidated financial statements. The Company's Board of Directors are responsible for the preparation of the Statement that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS 34 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 give 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 are 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 are 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 SAs 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 SAs, 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, but not for the purpose of expressing an 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 Board of Directors.
 - Conclude on the appropriateness of the Board of Directors' 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 unconsolidated financial results 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 unconsolidated financial results, including the disclosures, and whether the financial results represent 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 Matters

11. 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 by the management, 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.



Walker Chandiook & Co LLP

12. The audit of unconsolidated quarterly and year-to-date financial results for the period ended 30 September 2018 and audit of unconsolidated financial results for the year ended 31 March 2019 included in the Statement were carried out and reported by Deloitte Haskins & Sells LLP who have expressed unmodified opinion vide their audit report dated 21 October 2018 and unmodified opinion vide their audit report dated 27 April 2019, respectively, 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.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Bharat Shetty

Partner

Membership No. 106815



UDIN: 19106815 AAAADK8817

Place: Pune

Date: 04 November 2019

Persistent Systems Limited

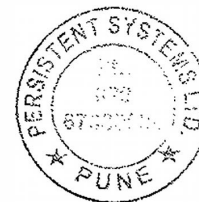
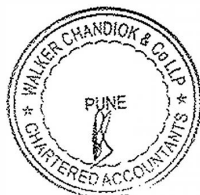
Registered Office : Bhageerath, 402, Senapati Bapat Road, Pune 411016, India

Ph. No. +91 (20) 67030000; Fax +91 (20) 67030009; Email : info@persistent.com, 'www.persistent.com'. CIN L72500PN1990PLC056696

Audited unconsolidated financial results of Persistent Systems Limited for the quarter and half year ended September 30, 2019

(In ₹ Million)

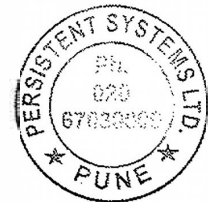
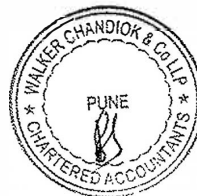
Sr. No.	Particulars		Quarter ended			Half year ended		Year ended
			September 30, 2019 (Audited)	June 30, 2019 (Audited)	September 30, 2018 (Audited)	September 30, 2019 (Audited)	September 30, 2018 (Audited)	March 31, 2019 (Audited)
	Income							
1	Revenue from operations		5,017.09	4,953.95	4,936.30	9,971.04	9,556.21	19,598.67
2	Other income		558.94	307.05	369.39	865.99	564.21	1,037.90
3	Total income	(1+2)	5,576.03	5,261.00	5,305.69	10,837.03	10,120.42	20,636.57
4	Expenses							
	- Employee benefits expense		2,679.51	2,499.35	2,318.34	5,178.86	4,579.13	9,491.23
	- Cost of professionals		478.42	490.02	556.74	968.44	1,062.92	2,195.21
	- Finance costs		11.66	12.45	0.16	24.11	0.27	0.51
	- Depreciation and amortization expense		141.09	137.31	113.89	278.40	231.08	458.84
	- Other expenses		921.99	1,007.14	1,010.33	1,929.13	1,735.39	4,107.02
	Total Expenses		4,232.67	4,146.27	3,999.46	8,378.94	7,608.79	16,252.81
5	Profit before exceptional items and tax	(3-4)	1,343.36	1,114.73	1,306.23	2,458.09	2,511.63	4,383.76
6	Exceptional items		-	-	-	-	-	-
7	Profit before tax	(5-6)	1,343.36	1,114.73	1,306.23	2,458.09	2,511.63	4,383.76
8	Tax expense							
	- Current tax		262.58	338.19	405.70	600.77	746.50	1,283.16
	- Tax charge in respect of earlier years		-	-	-	-	-	65.00
	- Deferred tax charge / (credit)		12.32	(57.85)	3.71	(45.53)	(54.94)	(114.48)
	Total tax expense		274.90	280.34	409.41	555.24	691.56	1,233.68
9	Profit for the period / year	(7-8)	1,068.46	834.39	896.82	1,902.85	1,820.07	3,150.08
10	Other comprehensive income							
	A. Items that will not be reclassified to profit and loss							
	- Remeasurements of the defined benefit liabilities / asset (net of tax)		(8.50)	(25.30)	(12.56)	(33.80)	(25.47)	(49.83)
			(8.50)	(25.30)	(12.56)	(33.80)	(25.47)	(49.83)
	B. Items that may be reclassified to profit and loss							
	- Effective portion of cash flow hedge		(124.71)	(23.19)	(139.16)	(147.90)	(298.29)	168.43
			(124.71)	(23.19)	(139.16)	(147.90)	(298.29)	168.43
	Total other comprehensive income for the period / year	(A+B)	(133.21)	(48.49)	(151.72)	(181.70)	(323.76)	118.60
11	Total comprehensive income for the period / year (Comprising Profit (Loss) and Other Comprehensive Income for the period)	(9+10)	935.25	785.90	745.10	1,721.15	1,496.31	3,268.68
12	Paid-up equity share capital (Face value of share ₹ 10 each)		764.25	764.25	800.00	764.25	800.00	791.19
13	Other equity excluding revaluation reserves							21,420.71
14	Earnings per equity share in ₹							
	- Basic		13.98	10.77	11.21	24.73	22.75	39.40
	- Diluted		13.98	10.77	11.21	24.73	22.75	39.40
15	Dividend per share (in ₹) (Nominal value of share ₹ 10 each)							
	Interim dividend		-	-	-	-	-	8.00
	Final dividend		-	-	-	-	-	3.00
	Total dividend		-	-	-	-	-	11.00



Audited statement of assets and liabilities

(In ₹ Million)

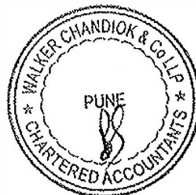
Particulars	As on September 30, 2019 (Audited)	As on September 30, 2018 (Audited)	As on March 31, 2019 (Audited)
ASSETS			
Non-current assets			
Property, Plant and Equipment	2,151.39	2,198.64	2,130.26
Capital work-in-progress	6.09	3.07	11.81
Right of Use assets	295.67	-	-
Other Intangible assets	62.41	116.06	83.86
Intangible assets under development	107.08	25.12	60.32
Financial assets			
- Investments	7,430.22	5,931.17	7,544.01
- Loans	118.50	830.60	116.01
- Other non-current financial assets	355.45	25.40	423.05
Deferred tax assets (net)	223.80	246.71	55.56
Other non-current assets	347.83	78.74	68.35
Total non-current assets	11,098.44	9,455.51	10,493.23
Current assets			
Financial assets			
- Investments	1,522.23	7,382.85	3,295.53
- Trade receivables	2,378.14	3,052.74	2,429.85
- Cash and cash equivalents	340.83	265.90	565.12
- Other bank balances	5,639.01	284.60	4,659.18
- Loans	4.83	5.96	6.63
- Other current financial assets	2,043.64	2,903.23	2,195.74
Other current assets	1,467.11	1,656.64	1,243.44
Total current assets	13,395.79	15,551.92	14,395.49
TOTAL ASSETS	24,494.23	25,007.43	24,888.72
EQUITY AND LIABILITIES			
Equity			
Equity share capital	764.25	800.00	791.19
Other equity	21,201.67	20,968.17	21,420.71
Total Equity	21,965.92	21,768.17	22,211.90
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	10.61	15.18	11.97
Provisions	168.76	135.73	158.46
Other long-term financial liabilities	257.01	1.83	1.83
Total Non-current liabilities	436.38	152.74	172.26
Current liabilities			
Financial liabilities			
- Trade payables	736.44	1,165.65	1,019.07
- Other financial liabilities	295.60	667.25	138.17
Other current liabilities	622.10	712.24	630.28
Provisions	415.41	471.29	664.11
Current tax liabilities (net)	22.38	70.09	52.93
Total current liabilities	2,091.93	3,086.52	2,504.56
TOTAL EQUITY AND LIABILITIES	24,494.23	25,007.43	24,888.72



CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2019

	For the half year ended		For the year ended
	September 30, 2019	September 30, 2018	March 31, 2019
	In ₹ Million	In ₹ Million	In ₹ Million
Cash flows from operating activities			
Profit before tax	2,458.09	2,511.53	4,383.76
Adjustments for:			
Interest income	(265.41)	(140.38)	(288.82)
Finance cost	24.11	0.27	0.51
Dividend income	(207.83)	(295.38)	(392.26)
Depreciation and amortization expense	278.40	231.08	458.84
Amortization of lease premium	0.29	0.29	0.58
Unrealised exchange loss/ (gain) (net)	(25.31)	(48.28)	80.81
Exchange (gain) / loss on derivative contracts	(61.47)	128.96	20.51
Exchange (gain) / loss on translation of foreign currency cash and cash equivalents	(8.18)	8.97	75.53
Donations in kind	-	-	1.40
Bad debts	-	23.55	23.55
Provision for doubtful debts (net)/ (Provision for doubtful debts written back) (net)	29.90	(13.84)	(6.99)
Provision for doubtful deposits	150.00	-	182.50
Employee stock compensation expenses	22.75	-	-
Remeasurements of the defined benefit liabilities / asset (before tax effects)	(46.16)	(37.83)	(49.83)
(Gain) / loss on fair valuation of mutual funds	20.47	115.69	76.95
(Profit) on sale of investments (net)	(144.17)	(213.57)	(366.09)
(Profit) on sale of Property, Plant and Equipment (net)	(0.94)	(1.28)	(3.77)
Operating profit before working capital changes	2,224.54	2,271.90	4,197.18
Movements in working capital :			
(Increase)/ Decrease in non-current and current loans	(0.29)	(17.46)	0.16
(Increase)/ Decrease in other non current assets	(281.54)	(14.74)	(2.29)
(Increase)/ Decrease in other current financial assets	(211.36)	(882.04)	(864.55)
(Increase)/ Decrease in other current assets	(223.67)	(282.02)	131.18
(Increase)/ Decrease in trade receivables	51.42	403.30	875.95
Increase / (Decrease) in trade payables, current liabilities and non current liabilities	(362.11)	431.88	202.29
Increase / (Decrease) in provisions	(238.40)	35.62	251.17
Operating profit after working capital changes	958.59	1,946.44	4,791.09
Direct taxes paid (net of refunds)	(618.96)	(763.59)	(1,394.77)
Net cash generated from operating activities	(A) 339.63	1,182.85	3,396.32
Cash flows from investing activities			
Payment towards capital expenditure (including intangible assets)	(277.33)	(128.15)	(286.87)
Proceeds from sale of Property, Plant and Equipment	1.06	1.28	3.82
Investment in wholly owned subsidiaries	(474.00)	-	-
Share application money paid	-	-	(78.72)
Purchase of bonds	(171.47)	(529.89)	(1,175.31)
Proceeds from sale of bonds	330.38	-	199.43
Investments in mutual funds	(7,780.50)	(11,581.81)	(22,418.13)
Proceeds from sale / maturity of mutual funds	10,212.14	10,369.76	25,010.64
Investments in bank deposits having original maturity over three months	(1,707.95)	(747.80)	(8,000.82)
Maturity of bank deposits having original maturity over three months (including foreign exchange gain/ loss)	715.00	1,192.48	4,044.26
Investments in deposit with financial institutions	-	(300.00)	(300.00)
Maturity of deposit with financial institutions	250.00	150.35	650.35
Inter corporate deposits (made) / refunded	-	133.84	132.74
Interest received	101.50	189.45	341.93
Dividend received	207.83	295.38	392.26
Net cash generated from / (used in) investing activities	(B) 1,406.66	(953.31)	(1,466.42)
Cash flows from financing activities			
(Repayment of) long term borrowings	(3.21)	(3.22)	(4.58)
Shares bought back	(1,677.01)	-	(571.41)
Specific project related grant received	3.00	4.50	-
Dividend paid	(229.28)	(241.41)	(881.41)
Tax on dividend paid	(47.99)	(20.18)	(137.41)
Interest paid	(24.27)	(1.04)	(1.12)
Net cash generated from / (used in) financing activities	(C) (1,978.76)	(261.36)	(1,595.93)

✓



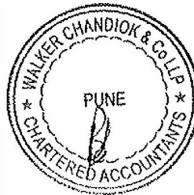
CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2019

	For the half year ended		For the year ended
	September 30, 2019	September 30, 2018	March 31, 2019
	In ₹ Million	In ₹ Million	In ₹ Million
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(232.47)	(31.81)	333.97
Cash and cash equivalents at the beginning of the period/ year	565.12	306.68	306.68
Effect of exchange differences on translation of foreign currency cash and cash equivalents	8.16	(8.97)	(75.53)
Cash and cash equivalents at the end of the period/ year	<u>340.83</u>	<u>265.90</u>	<u>565.12</u>
Components of cash and cash equivalents			
Cash on hand	0.14	0.13	0.11
Balances with banks			
On current accounts #	153.06	124.79	126.71
On saving accounts	0.60	11.63	0.91
On deposit account with maturity of less than three months	-	-	229.54
On Exchange Banker's Foreign Currency accounts	187.03	127.13	114.91
On Escrow accounts**	-	-	92.94
Cheques on hand	-	2.22	-
Cash and cash equivalents	<u>340.83</u>	<u>265.90</u>	<u>565.12</u>

Out of the cash and cash equivalents balance as at September 30, 2019, the Company can utilise ₹ 5.14 Million (Corresponding period : ₹ 2.98 Million / Previous year: ₹ 2.15 Million) only towards research and development activities specified in an agreement.

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

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Notes:

- 1 The audited condensed consolidated financial statements for the quarter and half year ended September 30, 2019, have been taken on record by the Board of Directors at its meeting concluded on November 4, 2019 as recommended by the Audit Committee at its meeting held on November 3, 2019. The statutory auditors have expressed an unqualified audit opinion. The information presented above is extracted from the audited interim condensed consolidated financial statements.
- 2 The Board of Directors, in its meeting held in January 2019, approved the partial 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 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 ₹ 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.
- 4 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. The amount due including interest have not been received as on date. 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 ₹ 150.00 million during the half year ended September 30, 2019, thereby taking the total provision to ₹ 332.50 million for impairment in value of deposits as of September 30, 2019. The provision currently reflects the exposure that may arise given the uncertainty. With the resolution plan in progress, 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.
- 5 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.
- 6 The Members of the Company approved the appointment of M/s. Walker Chandniok & Co LLP (Firm Registration No. 001076N/N500013) as Statutory Auditors of the Company to hold office from the conclusion of Extra Ordinary General Meeting held on September 4, 2019 up to the conclusion of the 30th Annual General Meeting of the Company to be held in the calendar year 2020 i.e. on or before September 30, 2020.
- 7 The Members at the 29th Annual General Meeting of the Company held on July 24, 2019, had approved payment of Final Dividend of ₹ 3.00 per Equity share of ₹ 10 each for FY 2018-19. Accordingly, ₹ 277.27 Million were paid towards the above Dividend and Dividend Distribution Tax during August 2019.

Pune
November 4, 2019

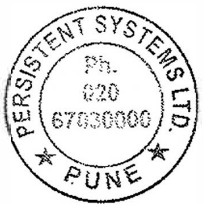
By order of Board of Directors of Persistent Systems Limited

Dr. Anand Deshpande
Chairman and Managing Director

Anand Deshpande

Kiran Umrootkar

Kiran Umrootkar
Director



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

