

NSE & BSE / 2019-20 / 78

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.: Submission of the Newspaper Advertisement under Regulations 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to the Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the newspaper advertisement of the Financial Results for the quarter and half year ended September 30, 2019. The same will be published on Tuesday, November 5, 2019 in the following newspapers:

- 1. Financial Express (All Editions)
- 2. Loksatta (Pune Edition)

The Audited Results for the said period were approved by the Board of Directors of the Company at its meeting held on November 3, 2019 and concluded on November 4, 2019.

We request you to take the same on your records.

Thanking you,

Yours sincerely,

For Persistent Systems Limited

Amit Atre
Company Secretary

ICSI Membership Number: ACS 20507

Encl: As above

Persistent Systems Limited, Bhageerath, 402, Senapati Bapat Road, Pune 411016 | Tel: +91 (20) 670 30000 Persistent Systems Inc., 2055, Laurelwood Rd, Suite 210, Santa Clara, CA 95054, USA | Tel: +1 (408) 216 7010 CIN - L72300PN1990PLC056696 | Fax - +91 (20) 6703 0009 | e-mail - info@persistent.com | Website - www.persistent.com

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

Persistent

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

	for the quarter	r and na	iir year en	iaea Sepu	ember 30	, 2019		₹ in Million
<u>-</u>			Quarter ende	d	Half yea	Year ended		
Sr. No.	Particulars		Sept. 30, 2019 (Audited)	June 30, 2019 (Audited)	Sept. 30, 2018 (Audited)	Sept. 30, 2019 (Audited)	Sept. 30, 2018 (Audited)	March 31, 201 (Audited)
	Income							
1	Revenue from operations (net)		8,846.00	8,321.14	8,355.57	17.167.14	16,698.38	33,659.4
2	Other income		382.46	300.36	232.21	682.82	418.96	876.
3	Total income	(1+2)	9,228.46	8,621.50	8,587.78	17,849.96	17,117.34	34,535.9
4	Expenses				·			
	- Employee benefits expense		5,369.71	4,916.25	4,862.36	10,285.96	9,480.73	19,249.
	- Cost of professionals		897.18	859.82	877.05	1,757.00	1,721.73	3,490.
	- Finance costs		18.38	18.50	1.07	36.88	1.35	3.0
	- Depreciation and amortization expense		424.90	386.17	398.58	811.07	799.39	1,572.
	- Other expenses		1,362.66	1,343.15	1,179.93	2,705.81	2,659.10	5,357.
	Total Expenses		8,072.83	7,523.89	7,318.99	15,596.72	14,662.30	29,672.5
5	Profit before exceptional items and tax	(3-4)	1,155.63	1,097.61	1,268.79	2,253.24	2,455.04	4,863.3
6	Exceptional items			,				,
7	Profit before tax	(5-6)	1,155.63	1,097.61	1,268.79	2,253.24	2,455.04	4,863.3
8	Tax expense	(,	,	7	-	_ ,	,	.,
	- Current tax		289.72	350.55	422.37	640.27	778.42	1,343.
	 Tax charge / (credit) in respect of earlier years 		(1.37)		2.90	(1.37)	2.90	88.
	- Deferred tax charge / (credit)		6.56	(77.64)	(37.89)	(71.08)	(81.17)	(85.4
	Total tax expense		294.91	272.91	387.38	567.82	700.15	1.346.0
9	Profit for the period / year	(7-8)	860.72	824.70	881.41	1,685.42	1,754.89	3,516.7
Ō	Other comprehensive income	(<i>)</i>						
	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)	(47.1
			(10.03)	(26.37)	(12.79)	(36.40)	(25.84)	(47.1
	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.
	 Exchange differences in translating the financial statements of foreign operations 		83.04	(0.63)	185.91	82.41	337.71	113.
			(41.67)	(23.82)	46.75	(65.49)	39.42	282.2
	Total other comprehensive income	(A+B)	(51.70)	(50.19)	33.96	(101.89)	13.58	235.1
	for the period / year							
1	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	3,751.8
2			764.25	764.25	800.00	764.25	800.00	791.:
3								22,655.0
4	Earnings per equity share in ₹							
	(Face value of share ₹ 10 each)							
	- Basic		11.26	10.65	11.02	21.90	21.94	43.9
_	- Diluted		11.26	10.65	11.02	21.90	21.94	43.
L5	Dividend per share (in ₹) (Nominal value per share ₹ 10)							
	Interim dividend							8.

Audited consolidated statement of assets and li	liabilities
---	-------------

Audited consolidated statem			₹ in Million
Particulars	As at Sept. 30, 2019 (Audited)	As at Sept. 30, 2018 (Audited)	As at March 31, 2019 (Audited)
ASSETS			
Non-current assets			
Property, Plant and Equipment	2,338.71	2,450.98	2,331.2
Capital work-in-progress	6.34	3.15	12.1
Right- of- use assets	625.11		-
Goodwill	90.06	85.20	81.2
Other Intangible assets	1,819.07	2,227.99	1,595.4
Intangible assets under development	142.50	243.96	303.5
Financial assets			
- Investments	3,658.58	3,460.35	4,345.7
- Loans	146.13	158.00	164.0
- Other non-current financial assets	355.45	25.40	344.3
Deferred tax assets (net)	613.16	647.26	405.0
Other non-current assets	407.45	78.74	68.3
Total non-current assets	10,202.56	9,381.03	9,650.9
Current assets	,	_,	_,
Financial assets			
- Investments	1,522.23	7,382.85	3,295.5
- Trade receivables (net)	5,049.74	4,778.08	4,923.0
- Cash and cash equivalents	1,350.67	1,080.68	1,739.4
- Other bank balances	5,734.38	459.40	4,989.3
- Loans	34.41	8.05	7.8
- Other current financial assets	2,357.40	3,488.97	2,377.0
Current tax assets (net)	134.70	244.70	185.0
Other current assets	1,747.72	1,973.51	1,387.7
Total current assets	17,931.25	19,416.24	18,905.0
TOTAL ASSETS	28,133.81	28,797.27	28,555.99
EQUITY AND LIABILITIES	20,133.01	20,/9/.2/	20,333.3
Equity			
• •	764.25	800.00	791.1
Equity share capital	22,293.43	22,029.11	22,655.6
Other equity Total Equity	22,293.43 23,057.68	22,029.11	23,446.8
Liabilities	23,037.68	22,629.11	23,440.80
Liabilities Non- current liabilities			
Financial liabilities			
	10.61	15.10	
- Borrowings	10.61	15.18	11.9
- Other long-term financial liabilities	485.50	1.83	1.8
Provisions	186.98	153.56	174.9
Total Non - current liabilities	683.09	170.57	188.7
Current liabilities			
Financial liabilities			4 =4
- Trade payables	1,403.84	1,917.52	1,517.0
- Other financial liabilities	746.87	975.14	441.9
Other current liabilities	1,006.65	1,255.26	1,122.4
Provisions	1,235.68	1,540.38	1,764.2
Current tax liabilities (net)		109.29	74.8
Total current liabilities	4,393.04	5,797.59	4,920.4
TOTAL EQUITY AND LIABILITIES	28,133.81	28,797.27	28,555.99

Audited unconsolidated financial information ,							
		0	Quarter ende	d	Half yea	Year ended	
	Particulars	Sept. 30, 2019 (Audited)	June 30, 2019 (Audited)	Sept. 30, 2018 (Audited)	Sept. 30, 2019 (Audited)	Sept. 30, 2018 (Audited)	March 31, 2019 (Audited)
	Revenue from operations (net)	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

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

Total dividenc

٠.	AC	celerii	e (Pro	ducis)	
	_				

b. Alliance								
c. Accelerite (Products) ₹ in								
Sr.			Quarter ended			Half year ended		
No.	Particulars	Sept. 30, 2019 (Audited)	June 30, 2019 (Audited)	Sept. 30, 2018 (Audited)	Sept. 30, 2019 (Audited)	Sept. 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 revenue / income from operations	8,846.00	8,321.14	8,355.57	17,167.14	16,698.38	33,659.41	
4	Segment results 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	3,298.01	
	- 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	Total profit before tax	1,155.63	1,097.61	1,268.79	2,253.24	2,455.04	4,863.39	

8	Segment assets		As at		
	[Trade receivables (net)]	Sept. 30, 2019 (Audited)	Sept. 30, 2018 (Audited)	March 31, 2019 (Audited)	
	- Technology Services	4,270.88	3,426.75	3,547.07	
	- Alliance	554. 44	1,100.09	1,021.77	
	- Accelerite (Products)	224.42	251.24	354.17	
	Total allocable segment assets	5,049.74	4,778.08	4,923.01	
	Unallocable assets	23,084.07	24,019.19	23,632.98	
	Total assets	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 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.

- 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.
- 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 Armil 1, 2019, the Group advoted Ind AS 116 "Lesses", applied to all applicable lesse contracts existing on April 1, 2019 using the
- 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 ₹ 889.90 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.
- 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 Lonpany 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.
- S 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.
- dissolved W.e.D. October 24, 2019.

 6 The Members of the Company approved the appointment of M/s. Walker Chandiok & 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 2021 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 pald towards the above Dividend and Dividend Distribution Tax duties 0.00 per 2018-19.
- during August 2019.

Consolidated Cash Flow Statement For The Half Year	Ended Septe	mebr 30, 20	19 ₹ in Million
	For the half year ended		
Particulars	Sept. 30, 2019	Sept. 30, 2018	March 31, 2019
	(Audited)	(Audited)	(Audited)
Cash flow from operating activities			
Profit before tax	2,253.24	2,455.04	4,863.39
Adjustments for: Interest income	(270 52)	(122 E9)	(297.72)
Discount allowed	(279.52) 75.54	(132.58)	(287.72) 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 Exchange (gain) / loss on translation of foreign	(61.47)	128.96 11.99	20.51 71.36
currency cash and cash equivalents	(8.37)	11.99	/1.36
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	(40.40)	(20.20)	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) (Gain)/ loss on fair valuation of assets designated at FVTPL	(4.60) 20.47	(20.07) 115.69	(33.89) 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	(338.58)	(14.17)	(1.68)
(Increase) / Decrease in other current financial assets (Increase) / Decrease in other current assets	(413.07) (356.30)	(557.23) (410.10)	(135.26) 175.62
(Increase) / Decrease in total current assets (Increase) / Decrease in trade receivables	(142.59)	67.16	(322.95)
Increase / (Decrease) in trade payables, current liabilities and non current liabilities		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 (A) Cash flows from investing activities	198.99	1,673.51	4,323.12
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	(435.48)	(148.15)	(148.15)
₹ 37.35 million (Previous period / year ₹ 0.35 million)	, ,	` '	` '
Purchase of bonds	(171.48)	(529.89)	(1,175.31)
Proceeds from sale/ maturity of bonds	330.38	(144.00)	199.43
Purchase of non-current investments Proceeds from sale of non-current investments	25.22	(144.96)	(144.96)
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)	(1,650.12)	(8,094.22)
Maturity of bank deposits having original maturity over three months	715.00	2,112.51	4,044.26
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 Interest received	326.08	(14.12) 173.23	(16.96) 327.33
Dividends received	13.95	83.88	180.77
Net cash generated from / (used in) investing activities (B)	1,358.04	(1,663.54)	(2,258.97)
Cash flows from financing activities	7.55.57	(_,:::::::,	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
(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	(2.60
Interest paid Dividends paid	(37.04) (229.28)	(2.12) (241.41)	(3.66) (881.41)
Tax on dividend paid	(47.99)	(241.41)	(137.41)
Net cash used in financing activities (C)		(262.43)	(1,598.47)
- \-'			₹ in Million
	For the half	f year ended	For the year ended

			₹ in Million
	For the half	For the year ended	
Particulars	Sept. 30, 2019 (Audited)	Sept. 30, 2018 (Audited)	March 31, 2019 (Audited)
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	8.37	(11.99)	(71.36)
currency cash and cash equivalents			
Cash and cash equivalents at the end of the period / year	1,350.67	1,080.68	1,739.45
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 Earner's 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	1,739.45
 Out of the cash and cash equivalents balance as at September 30, 2019, the 	Group can utilis	se ₹ 5.14 Millio	n (Corresponding

out of the Last and Last equivalents of the period of 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.

By order of Board of Directors of Persistent Systems Limited

Dr. Anand Deshpande Chairman and Managing Director Director

November 4, 2019 "For risks and uncertainties relating to forward-looking statements, please visit our website :- www.persistent.com"