



PERSISTENT

NSE & BSE / 2015-16 / 021
June 23, 2015

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

The Manager,
Corporate Services,
BSE Limited
14th Floor, P J Towers, Dalal Street,
Mumbai 400 001

Ref: Symbol: PERSISTENT

Ref: Scrip Code: 533179

Dear Sir / Madam,

Sub: Business Update for Q1 FY16

As we had explained in the last Earnings Call, some of the pre-cloud / pre-internet software product companies, who are our customers are re-organizing their businesses and changing their priorities. Consequently, weakness in our current product engineering business coupled with the quarterly variability associated with our IP business, could result in a marginally lower USD revenue for this quarter as compared to the previous quarter.

Our strategy for the Enterprise Digital Transformation (EDT) is playing out well as we see good traction in the market. This strategy is helping us establish a foothold in enterprises who are exploring ways to become software driven businesses. In line with this strategy, we have signed a large multi-year deal with a reputed media company in India.

We continue to invest in building accelerators and tools for enterprises to help them with their digital transformation journey. Our S&M investment continues as we focus on capturing higher share of the enterprise market. We have applied for a significantly higher number of H1B visas in this quarter as compared to the corresponding quarter of the last year to cater to the increasing demand for onshore work from the enterprise customers. These factors would exert a pressure on our margins for this quarter.

We see good traction from new customers in product engineering business. Going forward as our legacy customers firm up their product strategies, we expect new opportunities to grow our business with them.

We have recently acquired a product called Convirture which enables unified management for multiple virtualizations and cloud environments. We are looking to acquire a few more products to grow our IP revenues.



Disclaimer: Certain statements in this update concerning our future growth prospects are forward looking statements which involve a number of risks and uncertainties that could cause our actual results to differ materially from those in such forward looking statements. We do not undertake to update any forward looking statement that may be made from time to time by us or on our behalf.

Please acknowledge the receipt.

Thanking you,

**Yours faithfully,
for Persistent Systems Limited**



**Amit Atre
Company Secretary**

