



PERSISTENT

NSE & BSE / 2018-19 /89
January 28, 2019

To
The Manager,
Compliance Department,
BSE Limited,
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai 400 001.

To
The Manager,
Compliance Department,
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra - Kurla Complex, Bandra (East)
Mumbai 400 051.

Scrip Code/ Symbol: 533179

Scrip Symbol: PERSISTENT

Dear Sir / Madam,

**Subject: Outcome of the Board Meeting – Quarterly Results for Q3 FY19, declaration of
Interim Dividend and Buyback**

Further to our intimations dated January 1 and 23, 2019 and in terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and other applicable provisions of law, we wish to inform that, the Board of Directors, at its meeting held on January 27, 2019 and concluded on January 28, 2019 at 1645 HRS (IST) , has *inter-alia* taken the following decisions:

1. Approval of the Audited Financial Results for Q3 FY19

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 period ended December 31, 2018 have been approved. Accordingly, we enclose the following documents:

- a. Auditors' Report dated January 28, 2019 on the Consolidated Financial Results of the Company for the quarter and period ended December 31, 2018;
- b. Consolidated Financial Results of the Company for the quarter and period ended December 31, 2018;
- c. Auditors' Report dated January 28, 2019 on the Unconsolidated Financial Results of the Company for the quarter and period ended December 31, 2018;
- d. Unconsolidated Financial Results of the Company for the quarter and period ended December 31, 2018.



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2. Approval of the payment of Interim Dividend for FY 2018-19

The Board of Directors has approved the payment of Interim Dividend of INR 8 (INR Eight only) per Equity Share of INR 10 each for the Financial Year 2018-19.

3. Approval of the Buyback

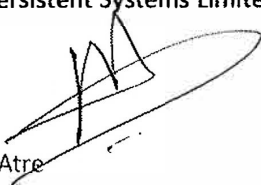
- a. Approved the buyback by the Company of its fully paid-up equity shares having face value of INR 10 (INR Ten only) each ("**Equity Shares**") at a price not exceeding INR 750 (INR Seven Hundred and Fifty only) per Equity Share ("**Maximum Buyback Price**") and for an aggregate amount not exceeding INR 2,250 Million ("**Maximum Buyback Size**"), from the shareholders of the Company excluding promoters, promoter group and persons who are in control of the Company, payable in cash via the "open market" route through the stock exchanges under the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ("**Buyback Regulations**"), as amended and the Companies Act, 2013, as amended, and other applicable rules (the process hereinafter referred to as the "**Buyback**").
- b. At the Maximum Buyback Price and for the Maximum Buyback Size, the indicative maximum number of Equity Shares bought back would be 3,000,000 ("**Maximum Buyback Shares**") which is 3.75% of the total number of paid-up Equity Shares of the Company. If the equity shares are bought back at a price below the Maximum Buyback Price, the actual number of equity shares bought back could exceed the indicative Maximum Buyback Shares (assuming full deployment of Maximum Buyback Size) but will always be subject to the Maximum Buyback Size. Further, the number of Equity Shares to be bought back will not exceed 25% of the total paid up equity capital of the Company.
- c. Maximum Buyback Size shall not include any expenses incurred or to be incurred for the Buyback like filing fees payable to SEBI, advisors' fees, stock exchange fee for usage of their platform for Buyback, brokerage, applicable taxes such as securities transaction tax, Goods and Services Tax, stamp duty, etc., public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses.
- d. Approved the formation of a Buyback Committee ("**Buyback Committee**") and delegated its powers to the Buyback Committee to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper in connection with the Buyback.
- e. The pre-Buyback shareholding pattern of the Company as on January 27, 2019 is attached hereto as **Annexure A**.
- f. The above information will also be made available on the website of the Company: <https://www.persistent.com/>

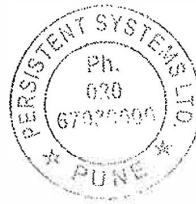


g. The public announcement setting out the process, timelines and other requisite details will be released in due course in accordance with the Buyback Regulations.

Thanking you,

Yours faithfully,
For Persistent Systems Limited


Amit Atre
Company Secretary



Enclosure: As above

Annexure A

Shareholding Pattern of the Company as on January 27, 2019

Sl. No.	Category of Shareholders	No. of Shareholders	No. of Shares	% of Shareholding
1.	Promoter and Promoter Group			
	a) Indian	8	24,377,165	30.47
	b) Foreign			
	Sub Total (1)	8	24,377,165	30.47
2.	Public			
	a) Mutual Funds	11	14,185,261	17.73
	b) Venture Capital Funds	0	0	0
	c) Alternate Investment Funds	5	1,343,804	1.68
	d) Foreign Venture Capital Investors	0	0	0
	e) Foreign Portfolio Investor	171	16,951,263	21.19
	f) Financial Institutions / Banks	5	1,272,685	1.59
	g) Insurance Companies	0	0	0
	h) Provident Funds/ Pension Funds	0	0	0
	i) Individuals	54,032	14,335,698	17.92
	j) NBFCs registered with RBI	10	47,456	0.06
	k) Employee Trusts	1	453	0.00
	l) Overseas Depositories (holding DRs)	0	0	0
	m) Trusts	9	6,743	0.01
	n) Foreign Nationals	5	24,300	0.03
	o) Hindu Undivided Family	1,506	293,447	0.37
	p) Non-Resident Indians (Non Repat)	658	467,586	0.59
	q) Non-Resident Indians (Repat)	1,287	707,479	0.88
	r) Clearing Member	176	298,546	0.37
	s) Bodies Corporate	557	3,086,276	3.86
	t) Directors	5	56,200	0.07
	u) Foreign Company	1	366,862	0.46
	v) IEPF	1	466	0.00
	Sub Total (2)	58,440	53,444,525	66.81
3.	Non-Promoter Non Public shareholder			
	a) Custodian/DR Holder			
	b) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	1	2,178,310	2.72
	Sub Total (3)	1	2,178,310	2.72
	Total (1+2+3)	58,449	80,000,000	100

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 nine months ended December 31, 2018

₹ in Million

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended March 31, 2018 (Audited)
		Dec 31, 2018 (Audited)	Sept 30, 2018 (Audited)	Dec 31, 2017 (Audited)	Dec 31, 2018 (Audited)	Dec 31, 2017 (Audited)	
1	Revenue from operations (net)	8,642.49	8,355.57	7,918.90	25,340.87	22,811.57	30,337.03
2	Other income	229.93	232.21	192.76	592.59	897.01	1,191.01
3	Total income	8,872.42	8,587.78	8,111.66	25,933.46	23,708.58	31,528.04
4	Expenses						
	- Employee benefits expense	4,909.33	4,862.36	4,787.18	14,390.06	13,831.81	18,316.46
	- Cost of professionals	905.89	877.05	775.55	2,627.62	2,313.95	3,180.63
	- Finance costs	0.67	1.07	0.14	2.02	0.47	0.79
	- Depreciation and amortization expense	396.32	398.58	392.63	1,195.71	1,163.98	1,584.87
	- Other expenses	1,365.00	1,179.93	981.00	3,967.80	3,089.25	4,152.68
	Total Expenses	7,577.21	7,318.99	6,936.50	22,183.21	20,399.46	27,235.43
5	Profit before exceptional items and tax	1,295.21	1,268.79	1,175.16	3,750.25	3,309.12	4,292.61
6	Exceptional items	--	--	--	--	--	--
7	Profit before tax	1,295.21	1,268.79	1,175.16	3,750.25	3,309.12	4,292.61
8	Tax expense						
	- Current tax	266.03	422.37	300.69	1,044.45	929.25	1,203.99
	- Tax charge / (credit) in respect of earlier years	73.39	2.90	(33.66)	76.29	(45.90)	(71.19)
	- Deferred tax charge / (credit)	38.62	(37.89)	(8.57)	(42.55)	(68.05)	(71.07)
	Total tax expense	378.04	387.38	258.46	1,078.19	815.30	1,061.73
9	Profit for the period / year from continuing operations	917.17	881.41	916.70	2,672.06	2,493.82	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	917.17	881.41	916.70	2,672.06	2,493.82	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)	(33.50)	(12.79)	11.51	(59.34)	68.25	106.88
	(33.50)	(12.79)	11.51	(59.34)	68.25	106.88	
	B. Items that may be reclassified to profit and loss						
	- Effective portion of cash flow hedge	351.15	(139.16)	27.40	52.86	(131.70)	(191.81)
	- Exchange differences in translating the financial statements of foreign operations	(165.47)	185.91	(91.04)	172.24	(18.95)	77.70
	185.68	46.75	(63.64)	225.10	(150.65)	(114.11)	
	Total other comprehensive income for the period / year	152.18	33.96	(52.13)	165.76	(82.40)	(7.23)
15	Total comprehensive income for the period / year (Comprising Profit (Loss) and Other Comprehensive Income for the period / year)	1,069.35	915.37	864.57	2,837.82	2,411.42	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	11.46	11.02	11.46	33.40	31.17	40.39
	- Diluted	11.46	11.02	11.46	33.40	31.17	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	11.46	11.02	11.46	33.40	31.17	40.39
	- Diluted	11.46	11.02	11.46	33.40	31.17	40.39
21	Dividend per share (in ₹)						
	Interim dividend	8	--	7	8	7	7
	Final dividend	--	--	--	--	--	3
	Total dividend	8	-	7	8	7	10

Audited unconsolidated financial information

₹ in Million

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended March 31, 2018 (Audited)
		Dec 31, 2018 (Audited)	Sept 30, 2018 (Audited)	Dec 31, 2017 (Audited)	Dec 31, 2018 (Audited)	Dec 31, 2017 (Audited)	
1	Revenue from operations	4,879.75	4,936.30	4,300.09	14,435.96	12,947.44	17,327.49
2	Profit before tax	910.44	1,306.23	1,048.81	3,422.07	3,239.54	4,552.16
3	Profit after tax	610.01	896.82	777.32	2,430.08	2,392.56	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:

- Technology Services
- Alliance
- 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			Nine months ended		Year ended March 31, 2018 (Audited)
		Dec 31, 2018 (Audited)	Sept 30, 2018 (Audited)	Dec 31, 2017 (Audited)	Dec 31, 2018 (Audited)	Dec 31, 2017 (Audited)	
1	Segment revenue						
	- Technology Services	5,597.18	5,436.54	4,883.17	16,276.88	14,267.68	19,371.11
	- Alliance	2,541.10	2,466.94	2,509.14	7,698.73	6,797.33	8,725.06
	- Accelerite (Products)	504.21	452.09	526.59	1,365.26	1,746.56	2,240.86
	Total	8,642.49	8,355.57	7,918.90	25,340.87	22,811.57	30,337.03
2	Less: Inter segment revenue	--	--	--	--	--	--
3	Net sales/income from operations	8,642.49	8,355.57	7,918.90	25,340.87	22,811.57	30,337.03
4	Segment profit/ (loss) before tax, interest and depreciation and amortization						
	- Technology Services	2,134.66	2,034.70	1,877.60	6,167.91	5,335.22	7,408.18
	- Alliance	1,061.25	826.50	877.09	2,748.13	2,217.69	2,699.89
	- Accelerite (Products)	283.92	241.80	272.26	687.99	848.61	1,054.29
	Total	3,479.83	3,103.00	3,026.95	9,604.03	8,401.52	11,162.36
5	Less:						
	- Finance costs	0.67	1.07	0.14	2.02	0.47	0.79
	- Other un-allocable expenses	2,413.88	2,065.35	2,044.41	6,444.35	5,988.94	8,059.97
6	Un-allocable income	229.93	232.21	192.76	592.59	897.01	1,191.01
7	Total profit before tax	1,295.21	1,268.79	1,175.16	3,750.25	3,309.12	4,292.61

₹ in Million

8 Segment assets	As at		
	Dec 31, 2018 (Audited)	Dec 31, 2017 (Audited)	March 31, 2018 (Audited)
- Technology Services	3,194.52	3,498.40	3,675.96
- Alliance	1,035.20	846.55	740.27
- Accelerite (Products)	496.94	660.12	431.17
Total allocable segment assets	4,726.66	5,005.07	4,847.40
Unallocable assets	24,773.97	20,926.48	21,860.73
Total assets	29,500.63	25,931.55	26,708.13

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 nine months ended December 31, 2018, have been taken on record by the Board of Directors at its meeting concluded on January 28, 2019 as recommended by the Audit Committee at its meeting held on January 27, 2019. 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.
- As reported in the previous quarter, Persistent Systems Limited ("the Parent Company") had 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. These are due for maturity from January 2019 to June 2019, the first deposit being due on 28th January 2019. In August 2018, credit rating agency, has significantly downgraded the IL&FS Group's rating. As of December 31, 2018, there have been no defaults in payment of interest on the aforesaid deposits. At this stage, it is difficult to estimate the ultimate probable loss if any. Accordingly, the management of the Parent Company believes that there is no immediate need to recognize any impairment on the above deposits as of December 31, 2018. The Parent Company will continue to monitor the developments in this matter for the purpose of determining the financial reporting impact, if any.
- The Board of Directors of Persistent Systems Limited ("the Parent Company"), considered and approved the Buyback of fully paid-up Equity Shares of face value of ₹ 10 each under "open market" route through the stock exchanges, for an aggregate amount not exceeding ₹ 2,250 million (Maximum Buyback Size) at a price not exceeding ₹ 750 per share (Maximum Buyback Price) at the Board Meeting.
- The Board of Directors of Persistent Systems Limited ("the Parent Company"), at its meeting commenced on January 27, 2019 and concluded on January 28, 2019 declared an interim dividend of ₹ 8 per share on the face value of ₹ 10 each for the Financial Year 2018-19.
- Figures for the previous periods/year have been regrouped wherever necessary to conform to current period's presentation.

By order of Board of Directors of Persistent Systems Limited

Pune
January 28, 2019

Dr. Anand Deshpande
Chairman and Managing Director

Kiran Umrootkar
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 Interim 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 nine months ended 31 December 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. | • Aepona Group Limited |
| • Persistent Systems Pte Limited | • Aepona Limited |
| • Persistent Systems France SAS | • Valista Limited |
| • Persistent Telecom Solutions Inc. | • Persistent Systems Lanka (Private) Limited |
| • Persistent Systems Malaysia Sdn. Bhd. | • Persistent Systems Mexico, S.A. de C.V. |
| • Akshat Corporation (d.b.a. RGen Solutions)# | • Persistent Systems Israel Ltd. |
| • Aepona Holdings Limited | • Persistent Systems Germany GmbH |
| • Parx Werk AG | • PARX Consulting GmbH |
| • Herald Technologies Inc. | |

entity closed down on 21 December 2018

(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 nine months ended 31 December 2018.

5. Emphasis of Matter Paragraph

We draw attention to Note 03 of the Statement, relating to the deposits of Rs 430 million in Infrastructure Leasing & Financial Services Group as at 31 December 2018, whose rating was significantly downgraded by credit rating agency – ICRA in August 2018. No provision against these deposits is considered necessary by the management as at 31 December 2018 for the reasons stated in the said note.

Our opinion is not modified in respect of this matter.

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6. 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. 1,556.27 Million as at 31 December 2018, total revenues of Rs. 1249.55 Million and Rs. 4,068.40 Million respectively, total net profit/(loss) after tax of Rs. 112.64 Million and Rs. (1035.09) Million respectively and total comprehensive income of Rs. (10.52) Million and Rs. (1079.48) Million respectively for the quarter and nine 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 nine months ended 31 December 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.

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: 28 January 2019


Hemant M. Joshi
Partner
(Membership No. 038019)

Persistent Systems Limited

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Audited consolidated financial results of Persistent Systems Limited for the quarter and nine months ended December 31, 2018

Sr. No.	Particulars		in ₹ Million					
			Quarter ended			Nine months ended		Year ended
			December 31, 2018 (Audited)	September 30, 2018 (Audited)	December 31, 2017 (Audited)	December 31, 2018 (Audited)	December 31, 2017 (Audited)	March 31, 2018 (Audited)
1	Revenue from operations (net)		8,642.49	8,355.57	7,918.90	25,340.87	22,811.57	30,337.05
2	Other income		229.93	212.21	192.76	592.59	897.01	1,191.01
3	Total income	(1+2)	8,872.42	8,567.78	8,111.66	25,933.46	23,708.58	31,528.04
4	Expenses							
	- Employee benefits expense		4,909.33	4,862.36	4,787.18	14,390.06	13,831.81	18,316.46
	- Cost of professionals		905.89	877.05	775.55	2,627.62	2,313.95	3,180.63
	- Finance costs		0.67	1.07	0.14	2.02	0.47	0.79
	- Depreciation and amortization expense		596.32	598.58	592.63	1,795.71	1,163.98	1,584.87
	- Other expenses		1,365.00	1,179.93	981.00	3,967.80	3,089.25	4,152.68
	Total Expenses		7,577.21	7,318.99	6,936.50	22,183.21	20,399.46	27,235.43
5	Profit before exceptional items and tax	(3-4)	1,295.21	1,268.79	1,175.16	3,750.25	3,309.12	4,292.61
6	Exceptional items		-	-	-	-	-	-
7	Profit before tax	(5-6)	1,295.21	1,268.79	1,175.16	3,750.25	3,309.12	4,292.61
8	Tax expense							
	- Current tax		266.03	422.37	500.69	1,044.45	929.25	1,203.99
	- Tax credit in respect of earlier years		71.39	2.90	(33.66)	76.29	(45.90)	(71.19)
	- Deferred tax charge / (credit)		38.62	(37.89)	(8.57)	(42.55)	(68.05)	(71.07)
	Total tax expense		376.04	387.38	258.46	1,078.19	815.30	1,061.73
9	Profit for the period/year from continuing operations	(7-8)	917.17	881.41	916.70	2,672.06	2,493.82	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)	917.17	881.41	916.70	2,672.06	2,493.82	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)		(33.50)	(12.79)	11.51	(59.34)	68.25	106.88
			(33.50)	(12.79)	11.51	(59.34)	68.25	106.88
	B. Items that may be reclassified to profit and loss							
	- Effective portion of cash flow hedge		351.15	(139.16)	27.40	52.86	(131.70)	(191.81)
	- Exchange differences in translating the financial statements of foreign operations		(165.47)	185.91	(91.04)	172.24	(18.95)	77.70
			185.68	46.75	(63.64)	225.10	(150.65)	(114.11)
	Total other comprehensive income for the period/year	(A+B)	152.18	33.96	(52.13)	165.76	(82.40)	(7.23)
15	Total comprehensive income for the period/year (Comprising Profit (Loss) and Other Comprehensive Income for the period/year)	(13+14)	1,069.35	915.37	864.57	2,837.82	2,411.42	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		11.46	11.02	11.46	33.40	31.17	40.39
	- Diluted		11.46	11.02	11.46	33.40	31.17	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		11.46	11.02	11.46	33.40	31.17	40.39
	- Diluted		11.46	11.02	11.46	33.40	31.17	40.39
21	Dividend per share (in ₹)							
	Interim dividend		8	-	7	8	7	7
	Final dividend		-	-	-	-	-	3
	Total dividend		8	-	7	8	7	10

Anand Deshpande

Audited unconsolidated financial information

Particulars	Quarter ended			Nine months ended		in ₹ Million
	December 31, 2018 (Audited)	September 30, 2018 (Audited)	December 31, 2017 (Audited)	December 31, 2018 (Audited)	December 31, 2017 (Audited)	Year ended March 31, 2018 (Audited)
Revenue from operations	4,879.75	4,936.30	4,300.09	14,435.96	12,947.44	17,327.49
Profit before tax	910.44	1,306.23	1,048.81	3,422.07	3,239.54	4,552.16
Profit after tax	610.01	896.82	777.32	2,430.08	2,392.56	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:

- Technology Services
- Alliance
- Accellerite (Products)

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

Sr. No.	Particulars	Quarter ended			Nine months ended		in ₹ Million
		December 31, 2018 (Audited)	September 30, 2018 (Audited)	December 31, 2017 (Audited)	December 31, 2018 (Audited)	December 31, 2017 (Audited)	Year ended March 31, 2018 (Audited)
1	Segment revenue						
	- Technology Services	5,397.18	5,436.54	4,883.17	16,276.88	14,267.68	19,371.11
	- Alliance	2,541.10	2,466.94	2,509.14	7,698.73	6,797.33	8,725.06
	- Accellerite (Products)	504.21	452.09	526.59	1,365.26	1,746.56	2,240.86
	Total	8,642.49	8,355.57	7,918.90	25,340.87	22,811.57	30,337.03
2	Less: Inter segment revenue	-	-	-	-	-	-
3	Net sales/income from operations	8,642.49	8,355.57	7,918.90	25,340.87	22,811.57	30,337.03
4	Segment profit/ (loss) before tax, interest and depreciation and amortization						
	- Technology Services	2,134.66	2,034.70	1,877.60	6,167.91	5,335.22	7,408.18
	- Alliance	1,061.25	826.50	877.09	2,748.13	2,217.69	2,699.89
	- Accellerite (Products)	283.92	241.80	272.26	687.99	848.61	1,054.29
	Total	3,479.83	3,103.00	3,026.95	9,604.03	8,401.52	11,162.36
5	Less:						
	- Finance costs	0.67	1.07	0.14	2.02	0.47	0.79
	- Other un-allocable expenses	2,413.88	2,065.35	2,044.41	6,444.35	5,988.94	8,059.97
6	Un-allocable income	229.93	232.21	192.76	592.59	897.01	1,191.01
7	Total profit before tax	1,295.21	1,268.79	1,175.16	3,750.25	3,309.12	4,292.61
8	Segment assets	As at					
		December 31, 2018 (Audited)	December 31, 2017 (Audited)	March 31, 2018 (Audited)			
	- Technology Services	3,194.52	3,498.40	3,675.96			
	- Alliance	1,055.20	846.55	740.27			
	- Accellerite (Products)	496.94	660.12	431.17			
	Total allocable segment assets	4,726.66	5,005.07	4,847.40			
	Unallocable assets	24,773.97	20,926.45	21,860.73			
	Total assets	29,500.63	25,931.55	26,708.13			

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.

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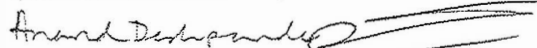
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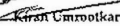


Notes:

- 1 The audited condensed consolidated financial statements for the quarter and nine months ended December 31, 2018, have been taken on record by the Board of Directors at its meeting concluded on January 28, 2019 as recommended by the Audit Committee at its meeting held on January 27, 2019. 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 reported in the previous quarter, Persistent Systems Limited ("the Parent Company") had 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. These are due for maturity from January 2019 to June 2019, the first deposit being due on 28th January 2019. In August 2018, credit rating agency, has significantly downgraded the IL&FS Group's rating. As of December 31, 2018, there have been no defaults in payment of interest on the aforesaid deposits. At this stage, it is difficult to estimate the ultimate probable loss if any. Accordingly, the management of the Parent Company believes that there is no immediate need to recognize any impairment on the above deposits as of December 31, 2018. The Parent Company will continue to monitor the developments in this matter for the purpose of determining the financial reporting impact, if any.
- 4 The Board of Directors of Persistent Systems Limited ("the Parent Company"), considered and approved the Buyback of fully paid-up Equity Shares of face value of ₹ 10 each under "open market" route through the stock exchanges, for an aggregate amount not exceeding ₹ 2,250 million (Maximum Buyback Size) at a price not exceeding ₹ 750 per share (Maximum Buyback Price) at the Board Meeting.
- 5 The Board of Directors of Persistent Systems Limited ("the Parent Company"), at its meeting commenced on January 27, 2019 and concluded on January 28, 2019 declared an interim dividend of ₹ 8 per share on the face value of ₹ 10 each for the Financial Year 2018-19.
- 6 Figures for the previous periods/year have been regrouped wherever necessary to conform to current period's presentation.

By order of Board of Directors of Persistent Systems Limited


Dr. Anand Deshpande
Chairman and Managing Director


Kiran Umrootkar
Director

Pune
January 28, 2019



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

**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 Interim Statement of Standalone Financial Results of **PERSISTENT SYSTEMS LIMITED** ("the Company"), for the quarter and nine months ended 31 December 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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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 nine months ended 31 December 2018.

5. Emphasis of Matter paragraph

We draw attention to Note 03 of the Statement relating to the deposits of Rs 430 million in Infrastructure Leasing & Financial Services Group as at 31 December 2018, whose rating was significantly downgraded by credit rating agency – ICRA in August 2018. No provision against these deposits is considered necessary by the management as at 31 December 2018 for the reasons stated in the said note.

Our opinion is not modified in respect of this matter.

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

Place: Pune
Date: 28 January 2019


Hemant M. Joshi
Partner
(Membership No. 038019)

Audited unconsolidated financial results of Persistent Systems Limited for the quarter and nine months ended December 31, 2018

Sr. No.	Particulars		Quarter ended			Nine months ended		Year ended
			December 31, 2018 (Audited)	September 30, 2018 (Audited)	December 31, 2017 (Audited)	December 31, 2018 (Audited)	December 31, 2017 (Audited)	March 31, 2018 (Audited)
1	Revenue from operations		4,879.75	4,936.30	4,300.09	14,435.96	12,947.44	17,327.49
2	Other income		222.95	369.39	252.12	782.33	993.57	1,276.82
3	Total income	(1+2)	5,102.70	5,305.69	4,552.21	15,218.29	13,941.01	18,604.31
4	Expenses							
	- Employee benefits expense		2,443.58	2,318.34	2,252.99	7,022.71	6,637.48	8,740.66
	- Cost of professionals		583.23	556.74	512.42	1,646.15	1,671.80	2,133.03
	- Finance costs		0.12	0.16	0.14	0.39	0.47	0.62
	- Depreciation and amortization expense		113.47	113.89	128.18	344.55	414.99	537.81
	- Other expenses		1,051.86	1,010.33	609.67	2,782.42	1,976.73	2,640.03
	Total Expenses		4,192.26	3,999.46	3,503.40	11,796.22	10,701.47	14,052.15
5	Profit before exceptional items and tax	(3-4)	910.44	1,306.23	1,048.81	3,422.07	3,239.54	4,552.16
6	Exceptional items		-	-	-	-	-	-
7	Profit before tax	(5-6)	910.44	1,306.23	1,048.81	3,422.07	3,239.54	4,552.16
8	Tax expense							
	- Current tax		235.00	405.70	284.92	981.50	877.28	1,175.90
	- Tax credit in respect of earlier years		49.09	-	(3.99)	49.09	(3.99)	(3.99)
	- Deferred tax charge / (credit)		16.34	3.71	(9.44)	(38.60)	(26.31)	(40.92)
	Total tax expense		300.43	409.41	271.49	991.99	846.98	1,130.99
9	Profit for the period / year from continuing operations	(7-8)	610.01	896.82	777.32	2,430.08	2,392.56	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)	(10-11)	-	-	-	-	-	-
13	Profit for the period / year	(9+12)	610.01	896.82	777.32	2,430.08	2,392.56	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) (net of tax)		(28.65)	(12.56)	12.04	(54.12)	72.13	104.97
			(28.65)	(12.56)	12.04	(54.12)	72.13	104.97
	B. Items that may be reclassified to profit and loss							
	- Effective portion of cash flow hedge (net of tax)		351.15	(139.16)	27.40	52.86	(131.70)	(191.81)
			351.15	(139.16)	27.40	52.86	(131.70)	(191.81)
	Total other comprehensive income for the period / year	(A+B)	322.50	(151.72)	39.44	(1.26)	(59.57)	(86.84)
15	Total comprehensive income for the period / year (Comprising Profit/ (Loss) and Other Comprehensive Income for the period)	(13+14)	932.51	745.10	816.76	2,428.82	2,332.99	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							19,732.01
18	Earnings per equity share (for continuing operations) in ₹							
	- Basic		7.63	11.21	9.72	30.38	29.91	42.76
	- Diluted		7.63	11.21	9.72	30.38	29.91	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		7.63	11.21	9.72	30.38	29.91	42.76
	- Diluted		7.63	11.21	9.72	30.38	29.91	42.76
21	Dividend per share (in ₹)							
	Interim dividend		8	-	7	-	7	7
	Final dividend		-	-	-	-	-	3
	Total dividend		8	-	7	-	7	10



Anand Deshpande

Notes:

- 1 The audited condensed financial statements for the quarter and nine months ended December 31, 2018, have been taken on record by the Board of Directors at its meeting concluded on January 28, 2019 as recommended by the Audit Committee at its meeting held on January 27, 2019. The statutory auditors have expressed an unqualified audit opinion.
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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 reported in the previous quarter, 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. These are due for maturity from January 2019 to June 2019, the first deposit being due on 28th January 2019. In August 2018, credit rating agency, has significantly downgraded the IL&FS Group's rating. As of December 31, 2018, there have been no defaults in payment of interest on the aforesaid deposits. At this stage, it is difficult to estimate the ultimate probable loss if any. Accordingly, the management of the Company believes that there is no immediate need to recognize any impairment on the above deposits as of December 31, 2018. The Company will continue to monitor the developments in this matter for the purpose of determining the financial reporting impact, if any.
- 4 The Board of Directors considered and approved the Buyback of fully paid-up Equity Shares of face value of ₹ 10 each under "open market" route through the stock exchanges, for an aggregate amount not exceeding ₹ 2,250 million (Maximum Buyback Size) at a price not exceeding ₹ 750 per share (Maximum Buyback Price) at the Board Meeting..
- 5 The Board of Directors at its meeting commenced on January 27, 2019 and concluded on January 28, 2019 declared an interim dividend of ₹ 8 per share on the face value of ₹ 10 each for the Financial Year 2018-19.

By order of Board of Directors of Persistent Systems Limited

Anand Deshpande

Dr. Anand Deshpande
Chairman and Managing Director

Kiran Umrootkar
Kiran Umrootkar
Director



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

Pune
January 28, 2019