



PERSISTENT

PERSISTENT SYSTEMS LIMITED

CIN: L72300PN1990PLC056696

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PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF PERSISTENT SYSTEMS LIMITED FOR THE BUYBACK OF EQUITY SHARES FROM THE OPEN MARKET THROUGH STOCK EXCHANGES UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED

This Public Announcement ("Public Announcement") is being made pursuant to the provisions of Regulation 16(iv) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, for the time being in force including any statutory modifications and amendments thereto from time to time ("Buyback Regulations") and contains the disclosures as specified in Schedule IV to the Buyback Regulations read with Schedule I of the Buyback Regulations.

OFFER TO BUYBACK EQUITY SHARES OF PERSISTENT SYSTEMS LIMITED ("COMPANY") OF FACE VALUE OF INR 10/- (RUPEES TEN) EACH ("EQUITY SHARES") FROM THE OPEN MARKET THROUGH STOCK EXCHANGES.

Part A - Disclosures in accordance with Schedule I of the Buyback Regulations

1 DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

1.1. Pursuant to the provisions of Sections 68, 69, 70, and all other applicable provisions, if any, of the Companies Act, 2013, as amended ("Companies Act" or the "Act"), the Companies (Share Capital and Debentures) Rules, 2014 ("Share Capital Rules"), the Companies (Management and Administration) Rules, 2014 ("Management Rules"), and the provisions of the Buyback Regulations, Article 13 of the Articles of Association of the Company and pursuant to the resolutions passed by the board of directors of the Company (the Board of Directors of the Company are hereinafter referred to as the "Board" or the "Board of Directors") at its meeting which commenced on January 27, 2019 and concluded on January 28, 2019 ("Board Meeting"), the Board approved the buyback of the Company's fully paid-up equity shares of the face value of INR 10/- (Rupees Ten only) each ("Equity Shares") from its shareholders/beneficial owners excluding promoters, promoter group and persons who are in control of the Company, via the "open market" route through the stock exchanges, for a total amount not exceeding INR 2,250 million (Rupees two thousand two hundred and fifty million only) ("Maximum Buyback Size"), and at a price not exceeding INR 750 (Rupees seven hundred and fifty only) per Equity Share ("Maximum Buyback Price"), payable in cash (the process being referred hereinafter as "Buyback"). The 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 fees, 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 ("Transaction Costs").

1.2. The Maximum Buyback Size represents 9.98% and 9.64% of the aggregate of the total paid-up Equity Share capital and free reserves of the Company based on the standalone and consolidated audited financial statements of the Company as on December 31, 2018, respectively (being the latest available audited standalone and consolidated financial statements of the Company). Further, since the Maximum Buyback Size is not more than 10% of the total paid-up Equity Share capital and free reserves of the Company in accordance with the proviso to the Section 68(2)(b) of the Act, the approval of the shareholders of the Company is not required.

1.3. 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.

1.4. Unless otherwise permitted under applicable law, the Company shall utilize at least 50% of the Maximum Buyback Size i.e. INR 1,125 million (Rupees one thousand one hundred and twenty five million only) ("Minimum Buyback Size") towards the Buyback and accordingly, based on the Maximum Buyback Price and Minimum Buyback Size, the Company will purchase an indicative minimum number of 1,500,000 Equity Shares.

1.5. The Board (or a committee constituted by the Board to exercise its powers in relation to the Buyback, i.e., the Buyback Committee), shall determine, at its discretion, the price and time frame for completion of the Buyback and may close the Buyback (which shall not be longer than (6) six months from the date of commencement of the Buyback or such other period as may be permitted under the Act and/or Buyback Regulations or as may be directed by the appropriate authorities) after the Minimum Buyback Size has been reached, and irrespective of whether the Maximum Buyback Size has or has not been reached, after giving appropriate notice for such closure and on completing all formalities in this regard, in accordance with the Act and/or Buyback Regulations.

1.6. The Buyback (including Transaction Costs) will be implemented by the Company out of its securities premium account, free reserves and/or such other source as may be permitted under Section 68(1) of the Act and Regulation 4(ix) of the Buyback Regulations and shall be from the open market purchases through the stock exchange, by the order matching mechanism except 'all or none' order matching system, as provided under the Buyback Regulations.

1.7. The Buyback is subject to receipt of such sanctions and approvals from statutory, regulatory or governmental authorities as may be required under applicable laws, including the Reserve Bank of India, the Securities and Exchange Board of India ("SEBI"), and the stock exchanges on which the Equity Shares are listed, namely, National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") (hereinafter together referred to as the "Stock Exchanges").

1.8. This Buyback from non-resident members, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs), and members of foreign nationality, if any, etc. is subject to such approvals as may be required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder, if any, and such approvals shall be required to be taken by such non-resident members.

1.9. A copy of this Public Announcement is available on the website of the Company at <https://www.persistent.com/>, and is expected to be available on the website of SEBI i.e. www.sebi.gov.in/ during the period of the Buyback and on the websites of the Stock Exchanges at www.nseindia.com/ and www.bseindia.com/, respectively.

2 NECESSITY FOR THE BUYBACK

The Board is of the view that the Buyback would achieve the objective of returning the surplus cash to the shareholders, improving the Company's return on equity and increasing shareholder value in the long term.

3 MAXIMUM PRICE FOR BUYBACK OF THE EQUITY SHARES & BASIS OF ARRIVING AT THE BUYBACK PRICE

3.1. The Maximum Buyback Price of INR 750 per Equity Share has been arrived at after considering various factors, including trends in the market price of the Equity Shares on the Stock Exchanges during the three months preceding the dates of the Board Meeting/including average of the weekly high and low of the closing share price of the Equity Shares of the Company on the Stock Exchanges (up to January 25, 2019), the net worth of the Company and the potential impact of the Buyback on the earnings per share and other similar ratios of the Company.

3.2. The Maximum Buyback Price of INR 750 per Equity Share represents: (i) a premium of 29.61% and 29.67% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for three months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback, i.e. January 23, 2019; (ii) a premium of 36.15% and 36.25% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for two weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback. i.e. January 23, 2019; and (iii) a premium of 33.52% and 33.46% over the closing market price of the Equity Shares as on the trading day prior to the date of commencement of the Board Meeting i.e. January 25, 2019, which was INR 561.70 and INR 561.95 on BSE and NSE, respectively.

3.3. The Buyback is proposed to be completed within a maximum period of 6 (six) months from the date of opening of the Buyback or such other period as may be permitted under the Companies Act and/or Buyback Regulations or as may be directed by the appropriate authorities. Subject to the Maximum Buyback Price of INR 750 (Rupees seven hundred and fifty only) per Equity Share, maximum validity period of 6 (six) months from the date of opening of the Buyback or such other period as may be permitted under the Companies Act and/or Buyback Regulations or as may be directed by the appropriate authorities, and achievement of the Minimum Buyback Size, the actual time frame and the price for the Buyback will be determined by the Board or the Buyback Committee or their duly authorized representatives, at their discretion, in accordance with the Buyback Regulations. However, in accordance with the Buyback Regulations, Buyback price for the Equity Shares in physical form ("Physical Shares") will be determined as the volume weighted average price of the Equity Shares in dematerialised form ("Demat Shares") bought back, during the calendar week in which such Physical Shares are received by Nomura Financial Advisory and Securities (India) Private Limited ("Company's Broker") (or in case no Equity Shares are bought back in the normal market during that calendar week then the preceding week when the Company last bought back Equity Shares) and the price of Physical Shares tendered during the first calendar week of the Buyback shall be the volume weighted average market price of the Equity Shares of the Company during the preceding calendar week.

3.4. The actual number of Equity Shares bought back will depend upon the actual price paid for the Buyback, excluding the Transaction Costs paid for the Equity Shares bought back, and the aggregate amount paid in the Buyback, subject to the Maximum Buyback Size. The actual reduction in outstanding number of Equity Shares would depend upon the price at which the Equity Shares of the Company are traded at the Stock Exchanges as well as the total number of Equity Shares bought back by the Company from the open market through the Stock Exchanges during the Buyback period.

4 MAXIMUM NUMBER OF EQUITY SHARES THAT THE COMPANY OPENS TO BUYBACK

4.1. At the Maximum Buyback Price and for Maximum Buyback Size, the indicative maximum number of Equity Shares bought back would be 3,000,000 (i.e. the Maximum Buyback Shares) which is 3.75% of the total number of paid-up Equity Shares of the Company.

4.2. 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.

5 DETAILS OF SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP AND OTHER DETAILS

5.1. The aggregate shareholding of the promoter and promoter group who are in control of the Company as on the date of commencement of the Board Meeting i.e. January 27, 2019, is as follows:

| Sr. No. | Name | No. of Equity Shares held | Percentage (%) |
|---------|---|---------------------------|----------------|
| 1. | Dr. Anand Suresh Deshpande and Ms. Sonali Anand Deshpande | 22,841,340 | 28.55 |
| 2. | Ms. Sulabha Suresh Deshpande and Mr. Suresh Purushottam Deshpande | 566,000 | 0.71 |
| 3. | Ms. Chitra Hemadri Buzruk as a sole holder and also jointly with Mr. Hemadri N Buzruk | 469,400 | 0.58 |
| 4. | Mr. Mukund Suresh Deshpande | 374,825 | 0.47 |
| 5. | Ms. Sonali Anand Deshpande and Dr. Anand Suresh Deshpande | 112,000 | 0.14 |
| 6. | Mr. Hemadri N Buzruk and Ms. Chitra Hemadri Buzruk | 7,820 | 0.01 |
| 7. | Mr. Suresh Purushottam Deshpande and Ms. Sulabha Suresh Deshpande | 5,000 | 0.01 |
| 8. | Mr. Padmakar Govind Khare and Ms. Deepa Padmakar Khare | 780 | 0.00 |
| | Total | 24,377,165 | 30.47 |

5.2. No Equity Shares or other specified securities of the Company have been purchased or sold by the promoter and promoter group of the Company on the stock exchanges or off market during a period of twelve (12) months preceding the date of the Public Announcement i.e. January 29, 2019 and the six (6) months preceding the date of commencement of the Board Meeting i.e. January 26, 2019, except for the following:

| Name | Aggregate No. of Equity Shares Purchased/Sold | Nature of Transaction | Maximum Price (INR) | Date of Maximum Price | Minimum Price (INR) | Date of Minimum Price |
|----------------------|---|--------------------------------------|---------------------|-----------------------|---------------------|-----------------------|
| Dr. Anand Deshpande | 26,000 | Purchase | 567.54 | October 24, 2018 | 557.47 | October 25, 2018 |
| | 30,000 | Sale | 835.22 | June 22, 2018 | 810.71 | June 15, 2018 |
| Mr. Mukund Deshpande | 4,800 | Exercise of ESOP on October 12, 2018 | 10 | October 12, 2018 | 10 | October 12, 2018 |

6 NON-PARTICIPATION BY PROMOTERS AND PROMOTER GROUP OF THE COMPANY IN THE BUYBACK

6.1. As per Regulation 16(ii) of the Buyback Regulations, the Buyback shall not be made from the promoters and promoter group of the Company.

6.2. Further, as per Regulation 24(i)(e) of the Buyback Regulations, the promoters and promoter group of the Company and their associates have not dealt in the Equity Shares or other specified securities of the Company either through the Stock Exchanges or off-market transactions (including inter-se transfer of Equity Shares among the Promoters) from the date of commencement of the Board Meeting till the date of the Public Announcement and shall not deal in the Equity Shares or other specified securities of the Company either through the stock exchanges or off-market transactions (including inter-se transfer of Equity Shares among the Promoters) from the date of the Public Announcement till the completion of the Buyback.

7 SUBSISTING DEFAULTS

The Company confirms that there are no defaults subsisting in the repayment of deposits or interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

8 CONFIRMATIONS FROM THE BOARD

The Board of Directors of the Company has confirmed during the Board Meeting, which commenced on January 27, 2019 and concluded on January 28, 2019, that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:

8.1. immediately following the dates of the Board Meeting approving the Buyback, which commenced on January 27, 2019 and concluded on January 28, 2019, there will be no grounds on which the Company could be found unable to pay its debts;

8.2. as regards the Company's prospects for the year immediately following the dates of the Board Meeting, and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the dates of the Board Meeting, which commenced on January 27, 2019 and concluded on January 28, 2019; and

8.3. in forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956, or the Act, or Insolvency and Bankruptcy Code, 2016, as applicable (including prospective and contingent liabilities).

9 REPORT OF THE AUDITOR ON PERMISSIBLE CAPITAL PAYMENT

The text of the report dated January 28, 2019 received from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditor of the Company, addressed to the Board of Directors is reproduced below:

Quote

To,

The Board of Directors

Persistent Systems Limited.

402E, Bhageerath, Senapati Bapat Road,

Pune, Maharashtra - 411016

Dear Sir/Madam,

Sub: Statutory Auditor's Certificate in respect of proposed buyback of equity shares by Persistent Systems Limited (the "Company") in terms of the clause (xi) of Schedule I of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 ("Buyback Regulations").

1. This certificate is issued in accordance with the terms of our engagement letter dated July 27, 2018.

2. The Board of Directors of the Company has approved a proposal for buyback of Equity Shares by the Company at its meeting held on January 28, 2019 in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013 (the "Act") and the Buyback Regulations. We have been requested by the Management of the Company to provide a certificate on the accompanying statement of permissible capital payment (including premium) ("Annexure A") as at December 31, 2018 (hereinafter referred to as the "Statement"). This statement has been prepared by the Management, which we have initialled for the purposes of identification only.

Management's Responsibility

3. The preparation of the Statement in accordance with Section 68(2) of the Companies Act, 2013 and the compliance with the Buyback Regulations, is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility:

4. Pursuant to the requirement of the Buyback Regulations, it is our responsibility to provide a reasonable assurance:

i. whether we have inquired into the state of affairs of the Company in relation to the condensed audited standalone financial statements as at December 31, 2018;

ii. if the amount of permissible capital payment as stated in Annexure A, has been properly determined considering the condensed audited standalone financial statements as at December 31, 2018 in accordance with Section 68(2) of the Companies Act, 2013; and

iii. if the Board of Directors of the Company, in its meeting held on January 28, 2019 has formed the opinion as specified in Clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid date and from the date on which the results of the Board's resolution with regard to the proposed buyback are declared.

5. The condensed standalone financial statements referred to in paragraph 4 above, have been audited by us, on which we have issued an unmodified audit opinion dated January 28, 2019. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

6. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements

Opinion

8. Based on enquiries conducted and our examination as above, we certify that:

a. We have enquired into the state of affairs of the Company in relation to its condensed audited standalone financial statements as at and for the period ended December 31, 2018 which has been approved by the Board of Directors of the Company on January 28, 2019;

b. The amount of permissible capital payment (including premium) towards the proposed buyback of equity shares as computed in the Statement attached herewith, is properly determined in our view in accordance with Section 68(2) of the Act. The amounts of share capital and free reserves have been extracted from the condensed audited standalone financial statements of the Company as at and for the period ended December 31, 2018;

c. The Board of Directors of the Company, in their meeting held on January 28, 2019 have formed their opinion as specified in clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution dated January 28, 2019, and from the date on which the results of the Board's resolution with regard to the proposed buyback are declared.

Restriction on Use

9. This certificate has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buyback of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the Buyback Regulations, (ii) to enable the Board of Directors of the Company to include in the explanatory statement to the notice for resolution, public announcement, and other documents pertaining to buyback to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the Managers, each for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

For Deloitte Haskins & Sells LLP Chartered Accountants

ICAI Regn No.117366GW/100018

Sd/-

Hemant M Joshi

Partner

Membership No. 038019

Place - Pune

Date - 28 January 2019

Annexure A - Statement of permissible capital payment of Persistent Systems Limited

Computation of amount of permissible capital payment towards buyback of equity shares in accordance with Section 68(2) of the Companies Act, 2013 ("the Act") based on audited standalone financial statements as at and for the period ended December 31, 2018:

(INR in Million)

| Particulars | Amount |
|---|------------------|
| Paid-up Equity Share Capital as at (A) | 800.00 |
| Free Reserves as at December 31, 2018* | |
| Retained Earnings | 11,107.50 |
| Securities Premium Account | 1,336.70 |
| General Reserve | 9,307.11 |
| Total Free Reserves* (B) | 21,751.31 |
| Total Paid-up Equity Share Capital and Free Reserves (A + B) | 22,551.31 |
| Permissible capital payment in accordance with proviso to Section 68(2)(b) of the Act requiring Board Resolution (10% of total paid-up Equity Share capital and free reserves) | 2,255.13 |

*Free reserves as defined in Section 2(43) read along with Explanation II provided in Section 68 of the Act.

For Persistent Systems Limited

Sd/-

Sunil Sapre

Executive Director and Chief Financial Officer

Place : Pune

Date : January 28, 2019

Unquote

Part B - Disclosures in accordance with Schedule IV of the Buyback Regulations

1 DATE OF BOARD APPROVAL FOR THE BUYBACK:

The Buyback has been approved by the Board in the Board Meeting, which commenced on January 27, 2019 and concluded on January 28, 2019. Further, since the Maximum Buyback Size is not more than 10% of the total paid-up Equity Share capital and free reserves of the Company in accordance with the proviso to the Section 68(2)(b) of the Act, the approval of the shareholders of the Company is not required.

2 MINIMUM AND MAXIMUM NUMBER OF EQUITY SHARES PROPOSED TO BE BOUGHT BACK, SOURCES OF FUNDS AND COST OF FINANCING THE BUYBACK

2.1. 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 i.e. the Maximum Buyback Shares. 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.

2.2. Unless otherwise permitted under applicable law, the Company shall utilize at least 50% of the Maximum Buyback Size i.e. the Minimum Buyback Size towards the Buyback and accordingly, based on the Maximum Buyback Price and Minimum Buyback Size, the Company will purchase an indicative minimum of 1,500,000 Equity Shares.

2.3. The Buyback (including the Transaction Costs) will be funded out of the free reserves, securities premium account and/or such other sources as may be permitted by the Buyback Regulations and the Companies Act, and on such terms and conditions as the Board may deem fit. In terms of Section 69 of the Act, the Company shall transfer from its free reserves or securities premium account a sum equal to the nominal value of the equity shares bought back through the Buyback to the Capital Redemption Reserve Account.

3 PROPOSED TIMETABLE

| Activity | Date |
|--|---|
| Date of Board resolution approving Buyback | January 28, 2019 |
| Date of publication of the Public Announcement | January 30, 2019 |
| Date of opening of the Buyback | February 8, 2019 |
| Acceptance of Equity Shares accepted in dematerialised mode | Upon the relevant pay-out by the Stock Exchanges |
| Verification/Acceptance of Equity Shares accepted in the physical mode | Within 15 days of pay-out by the Stock Exchanges |
| Extinguishment of Demat Shares | In case the Demat Shares are bought back, the same will be extinguished in the manner specified in the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended and the bye-laws framed thereunder. |
| Extinguishment of Physical Shares | In case the Physical Shares are bought back, the share certificates will be extinguished within 15 days of the succeeding month in which such Equity Shares were bought back, provided that the Company shall ensure that all Equity Shares bought back are extinguished within 7 days from the expiry of the Buyback period. |
| Last date for the completion of the Buyback | Earlier of: a. August 7, 2019 (i.e. six months from the date of the commencement of the Buyback); or b. when the Company completes the Buyback by deploying the amount equivalent to the Maximum Buyback Size; or c. at such earlier date as may be determined by the Board or Buyback Committee, after giving notice of such earlier closure, subject to the Company having deployed an amount equivalent to the Minimum Buyback Size (even if the Maximum Buyback Size has not been reached or the Maximum Buyback Shares have not been bought back), provided, that all payment obligations relating to the Buyback shall be completed before the last date for the Buyback. |

4 PROCESS AND METHODOLOGY FOR BUYBACK

4.1. The Buyback is open to all shareholders holding physical shares (subject to paragraphs 4.9, 4.10, 4.11 of Part B below) and beneficial owners holding

dematerialized shares ("**Demat Shares**"). As per Regulation 16(ii) of the Buyback Regulations, the Buyback shall not be made from Promoters and promoter group of the Company.

4.2. Further, as required under the Act and Buyback Regulations, the Company will not buy back Equity Shares which are locked-in or non-transferable, until the pendency of such lock-in, or until the time such Equity Shares become freely transferable, as applicable.

4.3. The Buyback will be implemented by the Company by way of open market purchases through the stock exchanges, by the order matching mechanism except "all or none" order matching system, as provided under the Buyback Regulations.

4.4. For the implementation of the Buyback, the Company has appointed Nomura Financial Advisory and Securities (India) Private Limited as its broker ("**Company's Broker**") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

NOMURA

Name: Nomura Financial Advisory and Securities (India) Private Limited

Address: Ceejay House, Level 11, Plot F, Shivsagar Estate, Worli, Mumbai - 400 018, Maharashtra, India

Tel.: 0224037 4037; **Fax:** 022 4037 4111

SEBI Registration No.: INB/INF/INE 231299034 (NSE), INB011299030 (BSE)

Website: www.nomuraholdings.com/company/group/asia/india/index.html

Email: persistentbuyback2019@nomura.com

4.5. The Equity Shares are traded under the symbol code: PERSISTENT at NSE and scrip code: 533179 at BSE. The ISIN of the Equity Shares of the Company is INE262H01013.

4.6. The Company, shall, commencing from February 8, 2019 (i.e. the date of commencement of the Buyback), place "buy" orders on the Stock Exchanges on the normal trading segment to Buyback the Equity Shares through the Company's Broker, in such quantity and at such price, not exceeding the Maximum Buyback Price of INR 750 per Equity Share, as it may deem fit, depending upon the prevailing market price of the Equity Shares on the Stock Exchanges. When the Company has placed an order for Buyback of Equity Shares, the identity of the Company as purchaser shall be available to the market participants of the Stock Exchanges.

Procedure for Buyback of Demat Shares:

4.7. Beneficial owners holding Demat Shares who desire to sell their Equity Shares in the Buyback, would have to do so through their stock broker, who is a registered member of the Stock Exchanges by indicating to their broker the details of the Equity Shares they intend to sell whenever the Company has placed a "buy" order for Buyback of the Equity Shares. The Company shall place a "buy" order for Buyback of Demat Shares, by indicating to the Company's Broker, the number of Equity Shares it intends to buy along with a price for the same. The trade would be executed at the price at which the order matches the price tendered by the beneficial owners and that price would be the Buyback price for that beneficial owner. The execution of the order and issuance of contract note would be carried out by the Company's Broker in accordance with the requirements of the Stock Exchanges and SEBI. Orders for Equity Shares can be placed on the trading days of the Stock Exchanges. The Company is under no obligation to place "buy" order on a daily basis. The orders for buying back the Equity Shares will be placed on normal trading segment of Stock Exchanges at least once a week.

4.8. It may be noted that a uniform price would not be paid to all the shareholders/beneficial owners pursuant to the Buyback and that the same would depend on the price at which the trade with that particular shareholder/beneficial owner was executed.

Procedure for Buyback of Physical Shares:

4.9. As per the proviso to regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018) read with the press release dated December 3, 2018 issued by SEBI, effective from April 1, 2019, requests for transfers of securities shall not be processed unless the securities are held in the dematerialized form with a depository ("**LODR Amendment**").

4.10. In the Buyback, considering the timeliness of activities prescribed under the Buyback Regulations, the acceptance by the Company of Equity Shares under the Buyback may also be undertaken after April 1, 2019. In such scenario, in light of the LODR Amendment, any of the shareholders who are desirous of selling their Equity Shares held in physical form after April 1, 2019, in the Buyback, can do so only after the shares are dematerialized. Such shareholders are advised to approach the concerned depository participant to have their Equity Shares dematerialized.

4.11. However, in respect of shares sold in the Buyback the acceptance of which is undertaken by the Company prior to April 1, 2019, the procedure to be followed by shareholders holding Equity Shares in the physical form is as detailed below.

4.12. The Company shall approach the Stock Exchanges for permission to use a separate window for the Buyback of Physical Shares in terms of Regulation 19 of the Buyback Regulations ("**Physical Share Buyback Window**").

4.13. Subject to paragraphs 4.9, 4.10, 4.11 of Part B above, upon completion of formalities with the Stock Exchanges to use their Physical Share Buyback Window, the Company shall Buyback the Physical Shares from the shareholders. The procedure for Buyback of Physical Shares in the Physical Share Buyback Window shall be subject to requirements provided by the Stock Exchanges and any directions issued in this regard. As per Regulation 19 of the Buyback Regulations:

(i) The Physical Share Buyback Window shall remain open for such period as prescribed under the Buyback Regulations or such shorter period as may be prescribed by SEBI.

(ii) Physical Shares shall be bought back from eligible shareholders through the Physical Share Buyback Window, only after verification of the requisite documents by the Registrar of the Company, and on completion of the successful verification, the sale transaction may be executed by the broker appointed by the eligible shareholder or Company's Broker.

(iii) The price at which the Physical Shares are bought back shall be the volume weighted average price of the Demat Shares bought back during the calendar week in which such Physical Shares are received by the Company's Broker. In case no Equity Shares are bought back in the normal market during that calendar week then the preceding week when the Company last bought back the Equity Shares would be considered. The price of Physical Shares purchased during the first calendar week of the Buyback shall be the volume weighted average market price of the Equity Shares of the Company during the preceding calendar week.

4.14. Shareholders holding Physical Shares and proposing to participate in the Buyback will be required to submit a complete set of documents for verification procedure to be carried out, including:

(i) original physical share certificate(s);

(ii) valid share transfer form(s) duly filled, stamped, signed by the transferors (by all the eligible shareholders in case the Equity Shares are in joint names in the same order in which they hold Equity Shares in the Company) as per the specimen signatures lodged with the Company and duly witnessed at the appropriate place authorizing the transfer of the Equity Shares bought back in favour of the Company;

(iii) In case of unregistered shareholder- (a) Original Equity Share certificates accompanied by valid share transfer forms as received from the market, wherein the name of the transferee has not been filled in and (b) Original broker contract note of a registered broker of a recognized Stock Exchange in relation to the purchase of the Equity Shares being tendered in this case;

(iv) KYC Form (to be filled and signed only by the first holder), Acceptance Form and Declaration Form (to be signed by all shareholder(s) including by joint holders of shares). The KYC Form, Acceptance Form and Declaration Form can be obtained by contacting the Company's Registrar;

(v) Bank account details of the first named holder along with copy of a self-attested cancelled cheque;

(vi) a self-attested copy of the shareholder's (including joint holders) PAN Card or other documents confirming the shareholder's identity;

(vii) a self-attested copy of a document confirming the shareholder's current address;

(viii) details of telephone number and email address of all the shareholders (including joint shareholders);

(ix) copies of regulatory approvals required, if any, by the shareholder for the transfer of Equity Shares to the Company;

(x) any other relevant documents such as power of attorney, corporate authorization (such as, board resolution/specimen signatures), notarised copy of death certificate, Reserve Bank of India approval (in case of non-resident shareholders) and succession certificate or probated will, if the original shareholder is deceased, as applicable, either by registered post or courier or hand delivery to the Company's Broker or the Registrar to the Buyback, at the following address:

Name: Link Intime India Private Limited

Address: Block No. 202, Akshay Complex, Near Ganesh Temple Off. Dhole Patil Road, Pune - 411001

Contact Person: Mr. Ajinkya Kulkarni

Tel: 020 26161629/0084

Email: pune@linkintime.co.in

Website: www.linkintime.co.in

SEBI Registration Number: INR000004058

Validity Period: Permanent

Corporate Identity Number: U67190MH1999PTC118368

(xi) The following list of documents are admissible as proof of identity: (i) Unique Identification Number (UID) (Aadhaar)/passport/voter id card/driving license, (ii) PAN card with photograph, (iii) Identity card/document with applicant's photo, issued by any of the following: Central/State Government and its departments, statutory/regulatory authorities, public sector undertakings, scheduled commercial banks, public financial institutions, colleges affiliated to Universities, professional bodies such as ICAI, ICMAI, ICSI, Bar council etc., to their members; and credit cards/debit cards issued by banks, (iv) certificate of incorporation, memorandum and articles of association in case of companies, (v) a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008 in case of limited liability partnerships, (vi) trust deed in case of trusts and (vii) partnership deed in case of partnership firm; and

(xii) The following list of documents admissible as proof of address: (i) passport/voters identity card/ration card/registered lease or sale agreement of residence/driving license/flat maintenance bill/insurance copy/Unique Identification Number (UID) (Aadhaar), (ii) utility bills like telephone bill (only land line), electricity bill or gas bill - not more than 3 months old, (iii) bank account statement/passbook - not more than 3 months old, (iv) self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts, (v) proof of address issued by any of the following: bank managers of scheduled commercial banks/scheduled co-operative banks/multinational foreign banks/gazetted officer/notary public/elected representatives to the legislative assembly/parliament/documents issued by any Government or statutory authority and (vi) identity card/document with address, issued by any of the following: Central/State Government and its

departments, statutory/regulatory authorities, public sector undertakings, scheduled commercial banks, public financial institutions, colleges affiliated to Universities and professional bodies such as ICAI, ICMAI, ICSI, Bar Council etc., to their members. Please note that documents having an expiry date should be valid on the date of submission.

4.15. During the Buyback, the shareholders of the Company are free to sell or hold their Physical Shares entirely at their discretion and that process is designed in accordance with Buyback Regulations only to assist those shareholders holding Equity Shares in the physical form, who are desirous of selling their Equity Shares and who would like to have a broker to enable them to do so and with abridged KYC requirements.

4.16. Shareholders holding Physical Shares should note that Physical Shares will not be accepted for Buyback unless a complete set of documents as mentioned in Paragraph 4.14 of Part B above is submitted to the Company's Broker or the Registrar to the Buyback. Acceptance of the Physical Shares for Buyback shall be subject to verification of the documents submitted by the shareholders as per the Buyback Regulations and any other directions issued by the SEBI or the Stock Exchanges in this regard. The Company will endeavour to complete the Buyback of the Physical Shares in the week subsequent to the week in which such physical shares are received by the Company's Broker. Please note that there could however be a delay in completing the transaction due to unavoidable circumstances. In case of receipt of incomplete documentation from the shareholders holding Physical Shares, the price payable for the Buyback of such Physical Shares will be the price applicable in accordance with Paragraph 4.13(iii) of Part B above during the week in which the documentation in respect of the Buyback of such Physical Shares has been completed in all respects.

4.17. Shareholders are requested to get in touch with the Nomura Financial Advisory and Securities (India) Private Limited ("**Merchant Banker**") or the Company's Broker or the Registrar of the Company to clarify any doubts in the process.

4.18. Subject to the Company purchasing Equity Shares for an amount equivalent to the Minimum Buyback Size, nothing contained herein shall create any obligation on the part of the Company or the Board to Buyback any additional Equity Shares or confer any right on the part of any shareholder to have any Equity Shares bought back, even if the Maximum Buyback Size has not been reached, and/or impair any power of the Company or the Board to terminate any process in relation to the Buyback, to the extent permissible by law. The Company is under no obligation to utilize the entire amount of Maximum Buyback Size or buy all the Maximum Buyback Shares. However, if the Company is not able to complete the Buyback equivalent to the Minimum Buyback Size, except for the reasons mentioned in the Buyback Regulations, the amount held in the escrow account (up to a maximum of 2.5% of the Maximum Buyback Size), may be liable to be forfeited and deposited in the Investor Protection and Education Fund of SEBI or as directed by SEBI in accordance with the Buyback Regulations.

4.19. The Company shall submit the information regarding the Equity Shares bought back by it to the Stock Exchanges on a daily basis in accordance with the Buyback Regulations. The Company shall also upload the information regarding the Equity Shares bought back by it on its website (<https://www.persistent.com/>) on a daily basis.

5 METHOD OF SETTLEMENT

5.1. **Settlement of Demat Shares:** The Company will pay consideration for the Buyback to the Company's Broker on or before every pay-in date for each settlement, as applicable to the Stock Exchanges where the transaction is executed. The Company has opened a depository account styled "LIPL PERSISTENT SYSTEMS BUYBACK ESCROW DEMAT ACCOUNT" ("**Buyback Demat Account**") with National Securities Depository Limited. Demat shares bought back by the Company will be transferred into the Buyback Demat Account by the Company's Broker, on receipt of such Demat Shares and after completion of the clearing and settlement obligations of the Stock Exchanges. Beneficial owners holding Demat Shares would be required to transfer the number of such Demat Shares sold to the Company pursuant to the Buyback, in favour of their stock broker through whom the trade was executed, by tendering the delivery instruction slip to their respective Depository Participant ("**DP**") for debiting their beneficiary account maintained with the DP and crediting the same to the broker's pool account as per procedure applicable to normal secondary market transactions. The beneficial owners would also be required to provide to the Company's Broker or the Registrar to the Buyback, copies of all statutory consents and approvals required to be obtained by them for the transfer of their Equity Shares to the Company.

5.2. **Settlement of Physical Shares:** Subject to paragraphs 4.9, 4.10, 4.11 of Part B above, shareholders holding Physical Shares would be required to present the complete set of documents referred to in Paragraph 4.14 of Part B above, to the Company's Broker or the Registrar to the Buyback within the time period prescribed under the Act.

5.3. **Extinguishment of Demat Shares:** The Demat Shares bought back by the Company shall be extinguished and destroyed in the manner specified in the Securities and Exchange Board of India (Depository and Participants) Regulations, 2018, as amended and bye-laws framed thereunder, in the manner specified in the Buyback Regulations and the Act. The Equity Shares lying in credit in the Buyback Demat Account will be extinguished within 15 (fifteen) days of acceptance of the Demat Shares, provided that the Company undertakes to ensure that all Demat Shares bought back by the Company are extinguished within 7 (seven) days from the last date of completion of the Buyback.

5.4. **Extinguishment of Physical Shares:** Physical Shares bought back by the Company during a month shall be extinguished and physically destroyed by the Company in the presence of the Registrar/Merchant Banker and the Statutory Auditor of the Company by the 15th day of the succeeding month, provided that the Company undertakes to ensure that all Physical Shares bought back are extinguished within 7 days from the last date of completion of the Buyback, in compliance with the Buyback Regulations.

5.5. Consideration for the Equity Shares bought back by the Company shall be paid only by way of cash (i.e. by way of demand draft/pay order/NEFT/RTGS/Cheque) to the Company's Broker.

6 BRIEF INFORMATION ABOUT THE COMPANY

6.1. The Company was incorporated as Persistent Systems Private Limited on May 30, 1990 and was subsequently converted into a public limited company with the name Persistent Systems Limited and a new certificate of incorporation was issued on September 28, 2007 by the Registrar of Companies, Pune, Maharashtra.

6.2. The registered office of the Company was changed from 'Renuka', 39/54, Erandvana, Lane 9B, Prabhat Road, Pune - 411004 to 'Panini', 2A, Senapati Bapat Road, Pune - 411 016 with effect from May 4, 2000 pursuant to a resolution of the Board dated May 5, 2000 and subsequently, the registered office was changed to its present location being 'Bhageerath', 402 Senapati Bapat Road, Pune 411 016 with effect from October 19, 2001 pursuant to a resolution of the Board on October 19, 2001.

6.3. The Corporate Identification Number of the Company (CIN) is L72300PN1990PLC056696. The equity shares of the Company got listed on both BSE and NSE on April 6, 2010.

6.4. The Company is in the business of building software for enterprises and software product companies and partnering with them in their digital transformation. The Company has a workforce of over 9,000 employees in various locations.

7 FINANCIAL INFORMATION ABOUT THE COMPANY

The financial information on the basis of audited consolidated and standalone financial statements of the Company for the last three financial years ended March 31, 2018, March 31, 2017, March 31, 2016 and for the nine months ended December 31, 2018 is provided hereunder:

Consolidated:

(Amount in INR million)

| Particulars | Audited [^] | | | |
|--|---|--------------------------------------|--------------------------------------|--------------------------------------|
| | For the nine months ended December 31, 2018 | For the year ended on March 31, 2018 | For the year ended on March 31, 2017 | For the year ended on March 31, 2016 |
| Continuing Operation | | | | |
| Revenue from operations | 25,340.87 | 30,337.03 | 28,784.39 | 23,123.31 |
| Investment income | 528.05 | 500.71 | 618.42 | 588.83 |
| Other Income | 64.54 | 690.30 | 340.03 | 184.05 |
| Total Income | 25,933.46 | 31,528.04 | 29,742.84 | 23,896.19 |
| Expenses (excluding Finance Cost, Depreciation & Amortisation and Exceptional Items) | 20,985.48 | 25,649.77 | 24,130.92 | 19,208.23 |
| Finance Cost/Interest | 2.02 | 0.79 | 0.91 | 0.92 |
| Depreciation & Amortisation | 1,195.71 | 1,584.87 | 1,490.17 | 990.13 |
| Exceptional Items [(Income)/Expenses] | - | - | 114.11 | - |
| Profit Before Tax, Share of Profit of Joint Venture and Associate | 3,750.25 | 4,292.61 | 4,006.73 | 3,696.91 |
| Share of Profit/(Loss) of Joint Venture and Associate | - | - | - | - |
| Profit Before Tax | 3,750.25 | 4,292.61 | 4,006.73 | 3,696.91 |
| Tax expense | 1,078.19 | 1,061.73 | 992.08 | 923.92 |
| Net Profit after tax for the period from Continuing Operation | 2,672.06 | 3,230.88 | 3,014.65 | 2,772.99 |
| Discontinued operation | | | | |
| Profit from discontinued operation | - | - | - | - |
| Total operation | | | | |
| Net Profit from total operation for the period/year | 2,672.06 | 3,230.88 | 3,014.65 | 2,772.99 |
| Net Profit attributable to the non controlling interest/Minority Interest | - | - | - | - |
| Net Profit attributable to the shareholders of the Company | 2,672.06 | 3,230.88 | 3,014.65 | 2,772.99 |
| Other Comprehensive Income (net of tax) | 165.76 | (7.23) | (32.66) | 247.75 |
| Total operation | | | | |
| Total Comprehensive Income from total operation for the period/year | 2,837.82 | 3,223.65 | 2,981.99 | 3,020.74 |

| | | | | |
|---|-----------|-----------|-----------|-----------|
| Total Comprehensive Income attributable to the non controlling interest/Minority Interest | - | - | - | - |
| Total Comprehensive Income attributable to the shareholders of the Company | 2,837.82 | 3,223.65 | 2,981.99 | 3,020.74 |
| Paid-up Equity Share capital | 800.00 | 800.00 | 800.00 | 800.00 |
| Reserves & Surplus* | 23,018.27 | 20,445.60 | 18,168.38 | 15,704.58 |
| Net Worth [@] | 23,875.37 | 21,271.99 | 18,992.63 | 16,577.83 |
| Total Debt | 18.03 | 21.91 | 27.24 | 32.68 |

Notes:

* Reserves and Surplus represents other equity excluding gain on bargain purchases

[@]Net Worth: Paid up equity share capital + other equity

[^] Source: Audited Financial Statements of the Company

(Amount in INR except certain ratios)

| Particulars | Audited | | | |
|---|---|--------------------------------------|--------------------------------------|--------------------------------------|
| | For the nine months ended December 31, 2018 | For the year ended on March 31, 2018 | For the year ended on March 31, 2017 | For the year ended on March 31, 2016 |
| Basic & Diluted Earnings per share from Continued Operation (INR) | Basic: 33.40 Diluted: 33.40 | Basic: 40.39 Diluted: 40.39 | Basic: 37.68 Diluted: 37.68 | Basic: 34.74 Diluted: 34.66 |
| Basic & Diluted Earnings per share from Total Operation (INR) | Basic: 33.40 Diluted: 33.40 | Basic:40.39 Diluted: 40.39 | Basic: 37.68 Diluted: 37.68 | Basic: 34.74 Diluted: 34.66 |
| Debt/Equity Ratio | 0.001 | 0.001 | 0.001 | 0.002 |
| Book Value per share (INR) | 297.73 | 265.57 | 237.10 | 206.31 |
| Return on Net Worth (%) | 11.19 | 15.19 | 15.87 | 16.73 |

| Key Ratios | Basis |
|----------------------------------|---|
| Basic Earnings per share (INR) | Net Profit attributable to equity shareholders/ Weighted average number of Equity Shares outstanding during the period |
| Diluted Earnings per share (INR) | Net Profit attributable to equity shareholders/ Weighted average number of shares outstanding during the period (as adjusted for the effects of all dilutive potential equity shares) |
| Book value per share (INR) | [Paid-up Equity Share capital + Other equity (excluding gain on bargain purchase)]/ Number of Equity Shares outstanding at period end |
| Debt-Equity Ratio | Total Debt/Net Worth |
| Return on Net Worth (%) | Net Profit After Tax/Net Worth |

Standalone:

(Amount in INR million)

| Particulars | Audited [^] | | | |
|---|---|--------------------------------------|--------------------------------------|--------------------------------------|
| | For the nine months ended December 31, 2018 | For the year ended on March 31, 2018 | For the year ended on March 31, 2017 | For the year ended on March 31, 2016 |
| Continuing Operation | | | | |
| Revenue from operations | 14,435.96 | 17,327.49 | 17,329.64 | 14,471.36 |
| Investment income | 744.13 | 619.25 | 628.79 | 599.18 |
| Other Income | 38.20 | 657.57 | 317.42 | 195.52 |
| Total Income | 15,218.29 | 18,604.31 | 18,275.85 | 15,266.06 |
| Expenses (excluding Finance Cost, Depreciation & Amortisation and Exceptional Items) | 11,451.28 | 13,513.72 | 13,627.85 | 11,215.59 |
| Finance Cost/Interest | 0.39 | 0.62 | 0.91 | 0.92 |
| Depreciation & Amortisation | 344.55 | 537.81 | 609.68 | 585.35 |
| Exceptional Items [(Income)/Expenses] | - | - | - | - |
| Profit Before Tax, Share of Profit of Joint Venture and Associate | 3,422.07 | 4,552.16 | 4,037.41 | 3,464.20 |
| Share of Profit/(Loss) of Joint Venture and Associate | - | - | - | - |
| Profit Before Tax | 3,422.07 | 4,552.16 | 4,037.41 | 3,464.20 |
| Tax expense | 991.99 | 1,130.99 | 1,097.09 | 968.21 |
| Net Profit after tax for the period from Continuing Operation | 2,430.08 | 3,421.17 | 2,940.32 | 2,495.99 |
| Discontinued operation | | | | |
| Profit from discontinued operation | - | - | - | - |
| Total operation | | | | |
| Net Profit from total operation for the period/year | 2,430.08 | 3,421.17 | 2,940.32 | 2,495.99 |
| Net Profit attributable to the non controlling interest/Minority Interest | - | - | - | - |
| Net Profit attributable to the shareholders of the Company | 2,430.08 | 3,421.17 | 2,940.32 | 2,495.99 |
| Other Comprehensive Income (net of tax) | (1.26) | (86.84) | 75.55 | 162.06 |
| Total operation | | | | |
| Total Comprehensive Income from total operation for the period/year | 2,428.82 | 3,334.33 | 3,015.87 | 2,658.05 |
| Total Comprehensive Income attributable to the non controlling interest/Minority Interest | - | - | - | - |
| Total Comprehensive Income attributable to the shareholders of the Company | 2,428.82 | 3,334.33 | 3,015.87 | 2,658.05 |
| Paid-up Equity Share capital | 800.00 | 800.00 | 800.00 | 800.00 |
| Reserves & Surplus | 21,900.68 | 19,732.04 | 17,344.14 | 14,846.46 |
| Net Worth [@] | 22,700.68 | 20,532.04 | 18,144.14 | 15,646.46 |
| Total Debt | 18.03 | 21.91 | 27.24 | 32.68 |

Note:

[@]Net Worth: Paid up equity share capital + Reserves & Surplus

[^]Source: Audited Financial Statements of the Company

| | |
|----------------------------|---|
| Book value per share (INR) | [Paid-up Equity Share capital + Reserves & Surplus]/Number of Equity Shares outstanding at period end |
| Debt-Equity Ratio | Total Debt/Net Worth |
| Return on Net Worth (%) | Net Profit After Tax/Net Worth |

8 DETAILS OF ESCROW ACCOUNT

8.1. In accordance with Regulation 20 of the Buyback Regulations and towards security for performance of its obligations under the Buyback Regulations, the Company has entered into an escrow agreement dated January 28, 2019 ("**Escrow Agreement**") with the Merchant Banker and Axis Bank Limited ("**Escrow Bank**") pursuant to which the Company has opened an escrow account titled "Persistent Systems Limited - Buyback Offer Escrow Account" (the "**Escrow Account**"). The Company has authorized the Merchant Banker to operate the Escrow Account in compliance with the Buyback Regulations and the Escrow Agreement. The Company will deposit in the Escrow Account cash aggregating to at least INR 562,500,000 (Rupees five hundred and sixty two million five hundred thousand only), being 25% of the Maximum Buyback Size ("**Escrow Amount**"), in accordance with the Buyback Regulations, before opening of the Buyback.

8.2. The funds in the Escrow Account may be released for making payment to the shareholders subject to at least 2.5% of the Maximum Buyback Size remaining in the Escrow Account at all points in time.

8.3. If the Company is not able to complete the Buyback equivalent to the Minimum Buyback Size, except for the reasons mentioned in the Buyback Regulations, the amount held in the Escrow Account (up to a maximum of 2.5% of the Maximum Buyback Size), may be liable to be forfeited and deposited in the Investor Protection and Education Fund of SEBI or as directed by SEBI in accordance with the Buyback Regulations.

8.4. The balance lying to the credit of the Escrow Account will be released to the Company on completion of all obligations in accordance with the Buyback Regulations.

9 LISTING DETAILS AND STOCK MARKET DATA

9.1. The Equity Shares of the Company are listed on BSE and NSE.

9.2. The high, low and average market prices of the Equity Shares for the preceding three years and the monthly high, low and average market prices of the Equity Shares for the six months preceding the date of this Public Announcement and their corresponding volumes on the BSE and NSE are as follows:

BSE

| Period | High Price' (INR) | Date of high price | No. of Equity Shares traded on that date | Low Price' (INR) | Date of low price | No. of Equity Shares traded on that date | Average Price ' (INR) | Total volume traded in the period (No. of Shares) | Total turnover of business transacted in the period (INR in Lakh) |
|--------|-------------------|--------------------|--|------------------|-------------------|--|-----------------------|---|---|
| 2016 | 771.25 | April 18, 2016 | 35,141 | 587.85 | January 22, 2016 | 8,798 | 660.92 | 3,058,110 | 20,183.1 |
| 2017 | 718.5 | December 29, 2017 | 28,323 | 563.1 | April 11, 2017 | 6,392 | 628.37 | 3,522,903 | 22,293.7 |
| 2018 | 881.35 | September 10, 2018 | 49,910 | 537.15 | November 15, 2018 | 5,419 | 749.97 | 4,555,055 | 35,077.1 |

[#] The High Price and Low Price are based on high and low of closing prices of all trading days during the said period.

^{*} Arithmetic average of the closing prices of all trading days during the said period.

| Last six months | High Price' (INR) | Date of high price | No. of Equity Shares traded on that date | Low Price' (INR) | Date of low price | No. of Equity Shares traded on that date | Average Price ' (INR) | Total volume traded in the period (No. of Shares) | Total turnover of business transacted in the period (INR in Lakh) |
|-----------------|-------------------|--------------------|--|------------------|--------------------|--|-----------------------|---|---|
| Jul-18 | 858.60 | July 10, 2018 | 7,925 | 802.95 | July 2, 2018 | 5,735 | 831.93 | 682,770 | 5,784.3 |
| Aug-18 | 873.05 | August 23, 2018 | 11,257 | 829.70 | August 31, 2018 | 7,998 | 850.58 | 400,431 | 3,430.3 |
| Sep-18 | 881.35 | September 10, 2018 | 49,910 | 778.95 | September 27, 2018 | 8,828 | 830.52 | 246,976 | 2,090.7 |
| Oct-18 | 757.25 | October 1, 2018 | 7,012 | 553.35 | October 29, 2018 | 5,800 | 648.93 | 387,730 | 2,319.6 |
| Nov-18 | 604.90 | November 30, 2018 | 11,231 | 537.15 | November 15, 2018 | 5,419 | 561.42 | 208,326 | 1,186.1 |
| Dec-18 | 632.00 | December 28, 2018 | 6,475 | 596.05 | December 10, 2018 | 2,650 | 614.55 | 115,207 | 709.1 |

[#] The High Price and Low Price are based on high and low of closing prices of all trading days during the said period.

^{*} Arithmetic average of the closing prices of all trading days during the said period.

(Source: www.bseindia.com)

NSE

| Period | High Price' (INR) | Date of high price | No. of Equity Shares traded on that date | Low Price' (INR) | Date of low price | No. of Equity Shares traded on that date | Average Price ' (INR) | Total volume traded in the period (No. of Shares) | Total turnover of business transacted in the period (INR in Lakh) |
|--------|-------------------|--------------------|--|------------------|-------------------|--|-----------------------|---|---|
| 2016 | 771.25 | April 18 2016 | 371,342 | 585.85 | February 12, 2016 | 46,323 | 661.12 | 25,179,438 | 167,285.9 |
| 2017 | 718 | December 29, 2017 | 210,920 | 563.6 | April 19, 2017 | 205,073 | 628.89 | 30,184,858 | 188,827.9 |
| 2018 | 885 | September 10, 2018 | 610,705 | 537.75 | November 15, 2018 | 147,280 | 750.23 | 57,991,159 | 432,155.8 |

[#] The High Price and Low Price are based on high and low of closing prices of all trading days during the said period.

^{*} Arithmetic average of the closing prices of all trading days during the said period.

| Last six months | High Price' (INR) | Date of high price | No. of Equity Shares traded on that date | Low Price' (INR) | Date of low price | No. of Equity Shares traded on that date | Average Price ' (INR) | Total volume traded in the period (No. of Shares) | Total turnover of business transacted in the period (INR in Lakh) |
|-----------------|-------------------|--------------------|--|------------------|--------------------|--|-----------------------|---|---|
| Jul-18 | 856.95 | July 10, 2018 | 254,966 | 800.75 | July 2, 2018 | 67,754 | 832.01 | 4,640,729 | 38,835.1 |
| Aug-18 | 872.60 | August 23, 2018 | 213,774 | 827.60 | August 31, 2018 | 229,016 | 850.76 | 4,133,892 | 35,414.2 |
| Sep-18 | 885.00 | September 10, 2018 | 610,705 | 779.30 | September 27, 2018 | 156,300 | 830.51 | 4,160,383 | 35,097.4 |
| Oct-18 | 758.20 | October 1, 2018 | 212,997 | 551.70 | October 29, 2018 | 173,990 | 648.46 | 7,864,788 | 48,292.9 |
| Nov-18 | 605.55 | November 30, 2018 | 199,348 | 537.75 | November 15, 2018 | 147,280 | 561.56 | 4,167,327 | 23,552.0 |
| Dec-18 | 630.45 | December 28, 2018 | 335,609 | 595.25 | December 10, 2018 | 89,756 | 614.41 | 3,375,810 | 20,850.6 |

[#] The High Price and Low Price are based on high and low of closing prices of all trading days during the said period.

^{*} Arithmetic average of the closing prices of all trading days during the said period.

(Source: www.nseindia.com)

9.3. The stock prices on BSE and NSE respectively on relevant dates are:

| Date | Description | High (₹) | Low (₹) | Closing (₹) |
|------------------|---|----------|---------|-------------|
| January 23, 2019 | Day on which notice of Board Meeting to consider the proposal for the Buyback was filed at the Stock Exchanges. | 565.50 | 542.20 | 544.30 |
| January 25, 2019 | Day prior to the date of commencement of the Board Meeting. | 563.95 | 552.50 | 561.70 |
| January 28, 2019 | Day of conclusion of the Board Meeting | 575.00 | 560.75 | 564.65 |
| January 29, 2019 | Day after the date of conclusion of the Board Meeting | 594.95 | 572.50 | 582.25 |

(Source: www.bseindia.com)

| Date | Description | High (₹) | Low (₹) | Closing (₹) |
|------------------|---|----------|---------|-------------|
| January 23, 2019 | Day on which notice of Board Meeting to consider the proposal for the Buyback was filed at the Stock Exchanges. | 565.50 | 541.00 | 544.70 |
| January 25, 2019 | Day prior to the date of commencement of the Board Meeting. | 564.10 | 551.90 | 561.95 |
| January 28, 2019 | Day of conclusion of the Board Meeting | 575.00 | 561.00 | 564.95 |
| January 29, 2019 | Day after the date of conclusion of the Board Meeting | 595.00 | 572.00 | 585.25 |

(Source: www.nseindia.com)

10 PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

10.1. The capital structure of the Company as on the date of this Public Announcement, i.e., January 29, 2019, and the indicative capital structure of the Company post the completion of the Buyback is set forth below:

| Particulars | (As on the date of this Public Announcement) (In INR) | (Post completion of the Buyback)* (In INR) |
|---|---|--|
| Authorised share capital: 20,00,00,000 Equity Shares of INR 10/- each | 2,000,000,000 | 2,000,000,000 |
| Issued, subscribed and fully paid-up share capital*: 8,00,00,000 Equity Shares of INR 10/- each 7,70,00,000* Equity Shares of INR 10/- each | 800,000,000 | 770,000,000* |

*Note: Assuming that the indicative Maximum Buyback Shares are bought back. However, the post Buyback issued, subscribed and paid-up capital may differ depending upon the actual number of Equity Shares bought back.

10.2. As on the date of this Public Announcement, there are no Equity Shares which are partly paid-up, or with call-in-arrears and there are no outstanding instruments convertible into Equity Shares.

10.3. The shareholding pattern of the Company as on January 27, 2019 (pre-Buyback) and the proposed shareholding pattern of the Company post the completion of the Buyback is given below:

| Shareholder | Pre-Buyback | | Post Buyback* | |
|--|----------------------|--------------------|----------------------|--------------------|
| | No. of Equity Shares | % of Equity Shares | No. of Equity Shares | % of Equity Shares |
| (A) Promoter & Promoter Group | 24,377,165 | 30.47% | 24,377,165 | 31.66% |
| (B) Public | 53,444,525 | 66.81% | | |
| (C1) Shares underlying DRs | - | - | | |
| (C2) Shares held by Employee Trust | 2,178,310 | 2.72% | 52,622,835 | 68.34% |
| (C) Non-Promoter -Non-Public (C=C1+C2) | 2,178,310 | 2.72% | | |
| Grand Total (A+B+C) | 80,000,000 | 100.00% | 77,000,000 | 100.00% |

* Assuming the Company buys back the Maximum Buyback Shares. However, the shareholding post completion of the Buyback may differ depending upon the actual number of Equity Shares bought back in the Buyback.

10.4. As per Regulation 16(ii) of the Buyback Regulations, the Buyback shall not be made from the promoters and promoter group of the Company. Further, as per Regulation 24(i)(e) of the Buyback Regulations, the promoters and promoter group of the Company and their associates have not dealt in the Equity Shares or other specified securities of the Company either through the Stock Exchanges or off-market transactions (including inter-se transfer of Equity Shares among the Promoters) from the date of commencement of the Board Meeting till the date of the Public Announcement and shall not deal in the Equity Shares or other specified securities of the Company either through the stock exchanges or off-market transactions (including inter-se transfer of Equity Shares among the Promoters) from the date of the Public Announcement till the completion of the Buyback.

10.5. For the aggregate shareholding of the promoters and promoter group of the Company as on the date of commencement of the Board Meeting i.e. January 27, 2019, please refer to Paragraph 5.1 of Part A. For the details of the transactions undertaken by the promoters and promoter group of the Company, please refer to Paragraph 5.2 of Part A.

10.6. While the Promoters are not eligible to participate in the Buyback, depending on the number of Equity Shares bought back by the Company, their effective shareholding percentage in the Company, will increase consequent to the buyback. Any increase in the percentage holding/voting rights of the Promoters and promoter group is not an active acquisition and is incidental to the Buyback and falls within the limits prescribed under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

10.7. There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act, 2013.

11 MANAGEMENT DISCUSSION AND ANALYSIS ON THE LIKELY IMPACT OF THE BUYBACK ON THE COMPANY

11.1. The Buyback is expected to achieve the objective of returning surplus cash to the shareholders, improving the Company's return on equity and increasing shareholders' value in the longer term. The Buyback is not likely to cause any material impact on the profitability/earnings of the Company except a reduction in the investment income, which the Company could have otherwise earned on the amount distributed towards Buyback. The Buyback may lead to reduction in outstanding Equity Shares, improvement in 'earnings per share' and enhanced return on equity, assuming that the Company would earn similar profits as in the past.

11.2. The amount required by the Company for the Buyback (including the Transaction Costs) will be funded out of the securities premium account, free reserves and/or such other sources as may be permitted by the Buyback Regulations and the Companies Act, 2013 and on such terms and conditions as the Board may deem fit.

11.3. Pursuant to Regulation 16(ii) of the Buyback Regulations, the members of the promoter and promoter group and persons in control of the Company shall not participate under the Buyback. The Buyback of Equity Shares will not result in a change in control or otherwise affect the existing management structure of the Company.

11.4. Consequent to the Buyback and based on the number of Equity Shares bought back from the shareholders excluding the members of the promoter and promoter group and persons in control of the Company, the shareholding pattern of the Company would undergo a change, however public shareholding shall not fall below 25% of the total fully paid up equity share capital of the Company.

11.5. As required under Section 68(2)(d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves post the Buyback.

11.6. Consequent to the Buyback and based on the number of Equity Shares bought back from the shareholders excluding the promoters, the shareholding pattern of the Company would undergo a change. Pursuant to Regulation 16(ii) of the Buyback Regulations, the promoters and promoter group of the Company are not entitled to participate under the Buyback. The Buyback of Equity Shares will not result in a change in control or otherwise affect the existing management structure of the Company and will not result in the public shareholding falling below 25% of the total fully paid-up equity share capital of the Company.

11.7. The Buy-back period starts from January 28, 2019, i.e., the date of conclusion of the Board Meeting approving the Buyback to the date on which the final payment of consideration for the Equity Shares bought back by the Company is made ("**Buyback Period**"). The Company shall not raise further capital for a period of 1 (one) year from the date of the expiry of the Buyback Period. The Company shall not issue any equity shares or other securities, including by way of bonus issue or convert any outstanding

instruments into equity shares, till the expiry of the Buyback Period in accordance with the Companies Act and the Buyback Regulations. The Company will not issue same kind of shares including allotment of new shares under clause (a) of sub-section (1) of section 62 of the Companies Act or other specified securities within a period of 6 (six) months after the completion of the Buyback except by way of bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares. Further, the Company has not undertaken a buyback of any of its securities during the period of one year immediately preceding the dates of the Board Meeting, which commenced on January 27, 2019 and concluded on January 28, 2019, and shall not make any offer of buyback within a period of one year from the date of expiry of the Buyback Period.

11.8. The funds borrowed from banks and financial institutions will not be used for the Buyback. The Company shall not buy back its shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through private arrangement. The Equity Shares bought back by the Company shall be compulsorily extinguished and destroyed and will not be held for re-issue at a later date. The Company is not undertaking the Buyback to delist its equity shares from the Stock Exchanges.

12 STATUTORY APPROVALS

12.1. Pursuant to Sections 68, 69, 70, and all other applicable provisions of the Act and applicable rules thereunder and the provisions of the Buyback Regulations and Article 13 of the Articles of Association of the Company, the Company has obtained the Board approval as mentioned above.

12.2. The Buyback is subject to receipt of such sanctions and approvals from statutory, regulatory or governmental authorities as may be required under applicable laws, including the Reserve Bank of India, the Securities and Exchange Board of India ("**SEBI**"), and the stock exchanges on which the Equity Shares are listed, namely, National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**") (hereinafter together referred to as the "**Stock Exchanges**").

12.3. The shareholders shall be solely responsible for obtaining all such statutory consents and approvals (including, without limitation the approvals from the Reserve Bank of India and/or the SEBI, if any) as may be required by them in order to sell their Equity Shares to the Company pursuant to the Buyback. Shareholders would be required to provide copies of all such consents and approvals obtained by them to the Company's Broker.

12.4. The Buyback shall be subject to such necessary approvals as may be required, and the Buyback from overseas corporate bodies and other applicable categories shall be subject to such approvals of the Reserve Bank of India, if any, under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder.

12.5. To the best of the knowledge of the Company, no other statutory approvals are required by it for the Buyback as on the date of this Public Announcement. Subject to the obligation of the shareholders to obtain the consents and approvals necessary for transfer of their Equity Shares to the Company as set out in Paragraphs 12.3 and 12.4 of Part B above, the Company shall obtain such statutory approvals as may be required, from time to time, if any, for completion of the Company's obligations in relation to the Buyback.

13 COLLECTION AND BIDDING CENTRES

The Buyback will be implemented by the Company by way of open market purchases through the Stock Exchanges using their nationwide trading terminals. Therefore, the requirement of having collection centers and bidding centers is not applicable.

14 COMPLIANCE OFFICER

The Company has designated the following as the Compliance Officer for the Buyback:

Name : Mr. Amit Atre
Designation : Company Secretary and Compliance Officer
Address : Bhageerath, 402 Senapati Bapat Road, Pune 411016, Maharashtra, India
Tel : +91 20 6703 0000
Fax : +91 20 6703 0009
Email : companysecretary@persistent.com
Website : https://www.persistent.com/

In case of any clarifications or to address investor grievance, the Shareholders may contact the Compliance Officer, from Monday to Friday between 10 a.m. to 5 p.m. on all working days except Saturdays, Sundays and public holidays, at the above-mentioned address.

15 REGISTRAR TO THE BUYBACK

The Company has appointed the following as the registrar to the Buyback ("**Registrar**"):

Name : Link Intime India Private Limited
Address : Block No. 202, Akshay Complex, Near Ganesh Temple Off. Dhole Patil Road, Pune 411001
Contact Person : Mr. Ajinkya Kulkarni
Tel : 020 26161629/0084
Fax : 022 49186060
Email : pune@linkintime.co.in
Website : www.linkintime.co.in
SEBI Registration Number : INF000004058
Validity Period : Permanent
CIN : U67190MH1999PTC118368

In case of any query, the Shareholders may also contact the Registrar to the Buyback, from Monday to Friday between 10:00 a.m. to 5:00 p.m. on all working days except Saturdays, Sundays and public holidays at the above-mentioned address.

16 MERCHANT BANKER TO THE BUYBACK

The Company has appointed the following as Merchant Banker to the Buyback:

Nomura Financial Advisory and Securities (India) Private Limited
Ceejay House, Level-11, Dr. Annie Besant Road, Worli, Mumbai- 400018
Tel: + 91 22 4037 4037; Fax: +91 22 4037 4111
Contact Person: Mr. Vishal Kanjani
Email: persistentbuyback2019@nomura.com
Website: www.nomuraholdings.com/company/group/asia/india/index.html
SEBI Registration Number: INM000011419
Validity Period: Permanent Registration

17 DIRECTORS' RESPONSIBILITY STATEMENT

As per Regulation 24(1)(a) of the Buyback Regulations, the Board accepts responsibility for the information contained in this Public Announcement and any advertisements, circulars, brochures, publicity materials etc. which may be issued in relation to the Buyback and confirms that the information in such documents contain and will contain true, factual and material information and does not and will not contain any misleading information.

For and on behalf of the Board of Directors of

Persistent Systems Limited

| Sd/- | Sd/- | Sd/- |
|--|--|--|
| Dr. Anand Deshpande Chairman and Managing Director DIN: 00005721 | Sunil Sapre Executive Director and Chief Financial Officer DIN: 06475949 | Amit Atre Company Secretary and Compliance Officer ICSI Membership Number: ACS 20507 |

Date : January 29, 2019

Place : Pune

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