

NSE & BSE / 2020-21 / 67

October 15, 2020

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

**Ref: Symbol: PERSISTENT**

The Manager,  
Corporate Services,  
Bombay Stock Exchange Limited  
14<sup>th</sup> Floor, P J Towers, Dalal Street,  
Mumbai 400 001

**Ref: Scrip Code: 533179**

Dear Sir/Madam,

**Sub: Intimation pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Regulations'), we wish to inform you that, Persistent Systems Limited, India and its 100% subsidiary Persistent Systems Inc., USA have entered into the Stock Purchase Agreement with Capiot Software Inc., USA on October 15, 2020 to acquire Capiot Software Inc., USA along with its subsidiaries in India, Singapore and Australia.

The acquisition is subject to customary closing conditions which are expected to be completed within 2-4 weeks. Accordingly, the Company will inform the closure of the transaction to the stock exchanges.

In this regard, please find enclosed an intimation and the details of the said acquisition as prescribed under Reg. 30(2) and (6) of the Regulations read with Schedule III to the Regulations and SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 as an Annexure.

Please acknowledge the receipt.

Thanking you,

Yours Sincerely,  
For **Persistent Systems Limited**

Amit Atre  
Company Secretary  
ICSI Membership No.: A20507

Encl.: A/a

Sr. No.	Particulars	Details
1.	Full Name of the entity to be acquired, details in brief such as size, turnover etc.	<p>Persistent Systems Limited, India (PSL) and its 100% subsidiary, Persistent Systems Inc., USA (PSI) (together "Persistent") have entered into a Stock Purchase Agreement to acquire the entire business of Capiot Software Inc., USA in a series of transactions to be executed sequentially as described below:</p> <ul style="list-style-type: none"> <li>In Step 1, PSL will acquire 100% shares of Capiot Software Private Limited ("Capiot India"), the Indian subsidiary of Capiot Software Inc. Consequently, Capiot India to become a wholly owned subsidiary of PSL.</li> <li>In Step 2, PSI will acquire the shares of Capiot Software Inc. along with its subsidiaries in Singapore and Australia ("Capiot US"). Consequently, Capiot US to become a wholly owned subsidiary of PSI.</li> </ul> <p>During Financial Year 2019-20, Consolidated Revenues of Capiot Software Inc. was US\$ 6.28 M.</p>
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms' length"	<p>The acquisition does not classify as a Related Party Transaction.</p> <p>The Promoter/ Promoter Group has no interest in the business being acquired.</p>
3.	Industry to which the entity being acquired belongs	Capiot Software Inc. and its subsidiaries (together "Capiot" or "Company") operate in the IT services industry, particularly in the enterprise integration domain.
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	The acquisition will strengthen Persistent's enterprise integration capability with Capiot's strong track record of offerings using TIBCO, MuleSoft and Red Hat platforms.
5.	Brief details of any governmental or regulatory approvals required for the acquisition	To the best of our knowledge, no governmental or regulatory approvals are required for the consummation of the acquisition.

Sr. No.	Particulars	Details
6.	Indicative time period for completion of the acquisition	It is expected that all the customary closing conditions and all the 2 steps as described above will be completed over the next 2-4 weeks ("Closing").
7.	Nature of consideration - whether cash consideration or share swap and details of the same	The purchase consideration shall be payable in cash on completion of customary closing conditions.
8.	Cost of acquisition or the price at which the shares are acquired	<p>The purchase consideration payable for the acquisition of Capiot India is ~US\$ 5.45 M and for the acquisition of Capiot US is ~US\$ 0.89 M, subject to customary adjustments for working capital, debt and cash on Closing.</p> <p>In addition to purchase consideration, certain key employees and consultants of Capiot India and Capiot US will be eligible for:</p> <ul style="list-style-type: none"> <li>• an additional deferred income of a cumulative maximum amount of US\$ 1mn per annum over the next 3 years, contingent on retention of such employees and consultant as well as achievement of certain earnout targets; and</li> <li>• an additional incentive of a cumulative maximum amount of US\$ 1mn in the first year for achieving certain revenue targets.</li> </ul>
9.	Percentage of shareholding / control acquired and / or number of shares acquired	Post-Closing, 100% of Capiot India and Capiot US would be acquired by PSL and PSI respectively.
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	<ul style="list-style-type: none"> <li>• Incorporated in 2014 by TIBCO veterans, Capiot is a middleware-led data consultancy and integration specialist.</li> <li>• The Company provides enterprise integration services by leveraging various integration platforms including TIBCO, MuleSoft, Red Hat and other opensource platforms. The Company derives more than 50% of its revenues from BFSI customers.</li> <li>• Capiot US is the parent company which is incorporated in the US with three subsidiaries: <ul style="list-style-type: none"> <li>○ Capiot Software Private Limited (Capiot India) which is incorporated in India</li> </ul> </li> </ul>

Sr. No.	Particulars	Details
		<ul style="list-style-type: none"> <li>○ Capiot Software PTE Ltd incorporated in Singapore and</li> <li>○ Capiot Software Pty Ltd incorporated in Australia</li> <li>● Standalone revenue of Capiot India for the historical period is as follows               <ul style="list-style-type: none"> <li>○ FY 2019-20: INR 413 M</li> <li>○ FY 2018-19: INR 453 M</li> <li>○ FY 2017-18: INR 366 M</li> </ul> </li> <li>● Consolidated revenue of Capiot US excluding Capiot India for the historical period is as follows:               <ul style="list-style-type: none"> <li>○ FY 2019-20: US\$ 1.13 M</li> <li>○ FY 2018-19: US\$ 1.28 M</li> <li>○ FY 2017-18: US\$ 0.85 M</li> </ul> </li> </ul>