

Persistent Systems Limited

(CIN : L72300PN1990PLC056696)

Regd. Office: Bhageerath, 402 Senapati Bapat Road, Pune 411 016

Tel.: +91 (20) 6703 0000; Fax : +91 (20) 6703 0009

E-mail : investors@persistent.com ; Website : www.persistent.com



Dear Member,

We are delighted to invite you to attend the Extra-ordinary General Meeting of the Company scheduled to be held on Thursday, February 26, 2015 at 1600 Hrs. (India time) at Persistent Systems Limited, Dewang Mehta Auditorium, Bhageerath, 402 Senapati Bapat Road, Pune 411 016, India

Should you need, pick-up arrangements have been made for you to reach the venue from the following locations in Pune:

1. Corporation Bus Depot
2. Deccan Gymkhana Bus Depot
3. Kothrud Bus Depot
4. Pune Railway Station
5. Swargate Bus Depot

If you wish to avail this facility, we request you to please inform your name, pick-up point and contact details on or before Monday, February 21, 2015, by e-mail at 'investors@persistent.com' or you may contact:

Mr. Amol Undre
Associate Senior Manager – Administration
Persistent Systems Limited
Bhageerath, 402 Senapati Bapat Road, Pune 411 016, India
Tel.: +91 (20) 6703 0000 Extn.: 34450
Cell: +91 98228 44 169

Physically challenged members who require any assistance at the venue are requested to contact Mr. Amol Undre.

Sincerely,

Anand Deshpande, Ph.D.
Chairman and Managing Director

January 24, 2015

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PERSISTENT

NOTICE

NOTICE is hereby given that an EXTRA-ORDINARY GENERAL MEETING of the Members of PERSISTENT SYSTEMS LIMITED will be held on Thursday, February 26, 2015, at 16.00 Hrs. (India Time) at Persistent Systems Limited, Dewang Mehta Auditorium, Bhageerath, 402 Senapati Bapat Road, Pune 411 016, India to transact the following business:

Resolution No.1

Approval for the Issue of Bonus Shares

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT in accordance with Section 63 and other applicable provisions of the Companies Act, 2013, read with Rule 14 of the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the relevant provisions of the Memorandum and Articles of Association of the Company and the recommendation of the Board of Directors of the Company (hereinafter referred to as 'the Board', which expression shall be deemed to include a Committee of Directors duly authorized by the Board in this behalf), and subject to the regulations and guidelines issued by the Securities and Exchange Board of India (SEBI), including the provisions of Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time) and such permissions, sanctions and approvals as may be required in this regard, consent of the Members be and is hereby accorded to the Board for capitalization of a sum not exceeding Rs. 40,00,00,000 (Rupees Forty Crores only) out of the Securities Premium Account of the Company and transfer the same to the Share Capital of the Company for the issue of fully paid Bonus Shares of the face value of Rs.10 (Rupees Ten only) each, out of the Authorised Share Capital of the Company and that it be distributed amongst the Members of the Company on such date ('Record Date') as may be determined by the Board, by way of issuing Equity Shares not exceeding 4,00,00,000 (Four Crores only) of Rs.10 (Rupees Ten only) each to be credited as fully paid Bonus Shares to the holders of the existing Equity Shares of the Company, in the proportion of 1(One) Equity Share for every 1 (One) Equity Share held by them, on the footing that they become entitled thereto as capital and not as income and that such new shares, as and when issued and fully paid, shall rank pari passu with the existing issued Equity Shares of the Company in all respects including dividend.

RESOLVED FURTHER THAT no allotment letters shall be issued to the allottees for Bonus Shares to the shareholders who hold their existing Equity Shares in electronic form, as Bonus Shares shall be credited to their respective demat accounts within the period prescribed or that may be prescribed on this behalf, from time to time.

RESOLVED FURTHER THAT for the shareholders who hold their existing Equity Shares in physical form, the share certificate(s) in respect of the Bonus Shares shall be completed and thereafter be dispatched within the period prescribed or that may be prescribed on this behalf, from time to time.

RESOLVED FURTHER THAT the issue and allotment of the said Bonus Shares to the extent that they relate to Non-Resident Indians (NRIs), Persons of Indian Origin (PIO) / Overseas Corporate Bodies (OCBs) and other foreign investors of the Company, will be subject to the approval of the Reserve Bank of India (RBI) and any other regulatory authority, as may be required.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make appropriate adjustments due to the issue of bonus shares as aforesaid, to the Employee Stock Option (ESOPs) which have been granted to the employees of the Company under its various Schemes, pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014 [erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999] and any amendments thereto from time to time, such that the exercise price for all ESOPs which are outstanding as on the 'Record Date' (as determined by the Board) (vested and unvested but not lapsed ESOP) shall be proportionately adjusted and the number of ESOPs which are available for granting and those already granted but not exercised as on 'Record Date' (as determined by the Board) shall be appropriately adjusted.

RESOLVED FURTHER THAT the Bonus Shares so allotted shall rank pari passu in all respects with the fully paid-up equity shares of the Company as existing on the 'Record Date', save and except that they shall not be entitled to any dividend that may be declared before the 'Record Date'.

RESOLVED FURTHER THAT the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the bonus issue of Equity Shares resolved hereinbefore, the Board and / or Dr. Anand Deshpande, Chairman and Managing Director, Mr. Mritunjay Kumar Singh, Executive Director and Chief Operating Officer, Mr. Rohit Kamat, Chief Financial Officer and Mr. Amit Atre, Company Secretary of the Company be and are hereby severally authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation, filing a registration statement, if any, and other documents with the SEBI, listing the additional Equity Shares on the BSE Limited and The National Stock Exchange of India Limited on behalf of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all other steps as may be necessary to give effect to the aforesaid resolution and determine all other terms and conditions of the issue of bonus shares as the Board may in the best interest of the Company deem fit.

By the order of the Board of Directors

Amit Atre
Company Secretary
ACS - 20507

NOTES

1. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 giving reasons for the proposed Special Resolution stating out material facts is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY, IN ORDER TO BE EFFECTIVE MUST BE DULY FILLED, STAMPED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other shareholder.
4. Corporate Members intending to send their authorised representative to attend the Extra-Ordinary General Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Extra-Ordinary General Meeting.
5. The Company is pleased to offer E-Voting facility, for its Members to enable them to cast their votes electronically with the help of Central Depository Services (India) Limited (CDSL).

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Thursday, February 19, 2015 at 9.00 a.m. IST and ends on Saturday, February 21, 2015 at 6.00 p.m. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date January 23, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details they should be create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
6. For conducting this e-voting activity in a fair and transparent manner, the Board has appointed Mr. Shridhar Kulkarni, Parnter, M/s. SKO & Associates, Practising Company Secretaries as Scrutinizers.
7. Members / Proxies are requested to bring duly filled attendance slips to be deposited with the Company officials at the venue of the meeting.
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at an Extra-Ordinary General Meeting.
9. Members desiring any information as regards to accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
10. Copies of all documents referred to in the Notice are available for inspection at the Registered Office of the Company between 2 p.m. to 4 p.m. IST on all working days till the date of the Extra-Ordinary General Meeting.
11. Members holding shares in dematerialised form are requested to update their bank account details with their respective Depository Participants.

Members having shares in physical mode are requested to update bank account details to the Company's Registrar and Share Transfer Agent.

12. With a view to take "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies, the Ministry of Corporate Affairs (the 'Ministry') has allowed companies to share documents with Members through electronic communication. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow public at large to contribute towards a greener environment. This is a golden opportunity for every shareholder to support the initiative of the Ministry.

To support initiative of the Ministry and in view of Persistent Green Movement, the Company will henceforth propose to send documents to Shareholders in electronic form, at the email address provided by you with your depositories. In case you desire to have a different e-mail id to be registered, please update the same with your Depository Participant. Registering your email address helps you to receive communication promptly, reduce paper consumption and save trees, eliminate wastage of paper, avoid loss of document in postal transit and save costs on paper and on postage. The Company will also make available a copy of the Notice on the Company's website.

13. Members are requested to communicate matters relating to shares, including dividend matters to the Company's Registrar and Share Transfer Agent at the following address:

Link Intime India Private Limited
(Unit: Persistent Systems Limited)
CIN – U67190MH1999PTC118368
Block No. 202, Second Floor,
Akshay Complex, Off Dhole Patil Road,
Pune 411 001, India
Tel. : +91 (20) 2616 1629 / 2616 0084
Fax : +91 (20) 2616 3503
E-mail : pune@linkintime.co.in
Website : www.linkintime.co.in

EXPLANATORY STATEMENT (Pursuant to Section 102 of the Companies Act, 2013)

The following Explanatory Statement set out material facts in relation to Item no. 1 of the accompanying Notice:

Item no. 1

The Company's Equity Shares are listed on the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE). To celebrate the occasion of the Company's 25th Anniversary, the Board at its meeting held on January 23, 2015 and concluded on January 24, 2015 recommended a bonus issue of Equity Shares in the ratio of 1:1 i.e. one new Equity Share for each existing Equity Share.

Your Directors have proposed that a sum not exceeding Rs.40,00,00,000 (Rupees Forty Crores only) be drawn from the Securities Premium Account of the Company and capitalized and transferred to Share Capital Account towards issue and allotment of Bonus Shares. The paid up share capital of the Company will increase from Rs.40,00,00,000 (Rupees Forty Crores only) to the appropriate amount after including the nominal value of the bonus shares as approved and the Securities Premium will be reduced by that appropriate amount. The Net worth of the Company will remain the same. The Bonus Shares will be issued to the Members who hold Shares as on the Record Date to be fixed by the Board of Directors subsequent to this meeting. The said Bonus Shares shall rank pari passu with the existing Equity Shares in all respects including dividend.

The bonus issue of equity shares would, inter alia, require appropriate adjustments with respect to the stock options of the Company granted under its various ESOP Schemes implemented pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 [erstwhile the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999] and any amendments thereto from time to time, such that all the stock options outstanding as on record date (vested and unvested stock options not including lapsed stock options) as well as stock options which are available for grant and those already granted but not exercised as on record date shall be proportionately adjusted.

The Bonus Issue of Equity Shares is subject to the approval of Members in terms of Sections 63 and other applicable provisions of the Companies Act, 2013, as well as any other applicable statutory and regulatory approvals.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out in Item No. 1 of the Notice, except to the extent of their shareholding in the Company.

The Board recommends the Special Resolution set out at Item No. 1 of the Notice for approval by the Members.

By the order of the Board of Directors
For Persistent Systems Limited

Amit Atre
Company Secretary
ACS - 20507

Date: January 24, 2015
Place: Pune

PROXY FORM

EXTRA-ORDINARY GENERAL MEETING ON THURSDAY FEBRUARY 26, 2015

[(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L72300PN1990PLC056696

Name of the Company: PERSISTENT SYSTEMS LIMITED

Registered Office: Bhageerath, 402 Senapati Bapat Road, Pune 411 016, India

Tel.: +91 (20) 6703 0000 • Fax: +91 (20) 6703 0009

e-mail: investors@persistent.com • Website: www.persistent.com

Name of the member (s): _____

Registered address: _____

E-mail ID: _____

Folio No/ Client ID: _____

DP ID: _____

I/We, being the Member (s) holding shares of above named Company, hereby appoint

(1) Name _____

Address _____

Email ID: _____

Signature _____ or failing him;

(2) Name _____

Address _____

Email ID: _____

Signature _____ or failing him;

(3) Name _____

Address _____

Email ID: _____

Signature _____

as my / our proxy to attend and vote (on a poll) for me / us on my / our behalf at the Extra-ordinary General Meeting of the Company to be held on Thursday, February 26, 2015 at 1600 Hrs. (India Time) at Persistent Systems Limited, Dewang Mehta Auditorium, Bhageerath, 402 Senapati Bapat Road, Pune 411 016, India and at any adjournment thereof in respect of such resolution(s) as indicated below:

Sr. No.	Details of Special Business
1.	Approval for the Issue of Bonus Shares
<p>Signed this day of, 2015</p> <p>Signature of shareholder.....</p> <p>Signature of Proxy holder(s).....</p> <p>Note: This proxy form in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.</p> <div data-bbox="1328 1430 1466 1560" style="border: 1px solid black; padding: 5px; text-align: center;"> Affix Revenue Stamp Rs. 1 </div>	

ATTENDANCE SLIP

I / We record my / our presence at the 'EXTRA-ORDINARY GENERAL MEETING' of the Company to be held on Thursday, February 26, 2015 at 1600 Hrs. (India Time) at Persistent Systems Limited, Dewang Mehta Auditorium, Bhageerath, 402 Senapati Bapat Road, Pune 411 016, India.

Full Name of the Member(s) / Proxy:
(In Block Letters)

No. of Shares held:

Folio No. / DP ID and Client ID:

Signature of the Member(s) / Proxy: 1. 2.

Note: Members attending the meeting in-person or by proxy are requested to complete the attendance slip and deposit with the Company officials at the venue of the Meeting.

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