

Persistent Systems Limited

(CIN : L72300PN1990PLC056696)

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PERSISTENT

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014]

Dear Members,

NOTICE is given that pursuant to the provisions of Section 110 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (hereinafter referred to as "the Rules"), including any statutory modification or re-enactment thereof for the time being in force, the Company seeks your consent for the following resolutions:

The proposed Special Resolutions and Explanatory Statements pertaining to the resolutions setting out all material facts and the reasons thereof are annexed hereto along with a Postal Ballot Form ("the Form") for your consideration.

SPECIAL BUSINESS:

Resolution No. 1

Approval of Persistent Systems Limited Employee Stock Option Plan 2016 ('ESOP 2016')

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereto (the "Act"), (including any modification or re-enactment thereof for the time being in force), and in accordance with the Memorandum and Articles of Association of the Company, the Listing Agreements with the Stock Exchanges in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations") and such other applicable regulations which may be issued and / or amended from time to time by the Securities and Exchange Board of India (SEBI) or any other relevant authority, from time to time, to the extent applicable and subject to any approvals, consents, permissions and sanctions of any authorities as may be required, and subject to any such conditions or modifications as may be prescribed or imposed by such authorities while granting such approvals, consents, permissions and sanctions, the approval and consent of the Company be and is hereby accorded to introduce and implement the "**Persistent Systems Limited Employee Stock Option Plan 2016**" ("**ESOP 2016**") and to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Compensation and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to offer, issue and allot from time to time, 100,000 (One Hundred Thousand only) options under the ESOP 2016, the salient features of which are furnished in the Explanatory Statement to this resolution, to or to the benefit of such person(s) who are in the permanent employment of the Company and its Subsidiary Company/ies whether working in India or out of India, and to the Directors of the Company, whether whole-time or not, and its Subsidiary Company(ies) and to such other persons, (hereinafter collectively referred to as "Eligible Employees"), other than Promoters and members of the Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company, and employees who have not completed continuous service of at least 5 (five) years on a pre-determined date in Persistent Group, convertible into not more than 100,000 (One Hundred Thousand only) fully paid-up Equity Shares in the Company in aggregate of face value of Rs. 10/- each, at such price or prices, in one or more tranches through PSPL ESOP Management Trust and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the ESOP 2016 and in due compliance with the applicable laws and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares upon exercise of options from time to time in accordance with the ESOP 2016 and such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the ESOP 2016 as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013 and the Rules thereto, applicable provisions of the Companies Act, 1956, if any, the Memorandum and Articles of Association of the Company and any other applicable laws.

RESOLVED FURTHER THAT the number of options that may be granted per employee including Director (other than Promoters and members of the Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company and employees who have not completed continuous service of at least 5 (five) years on a pre-determined date in Persistent Group) of the Company, in any financial year, under the ESOP 2016 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company as at the time of grant of options.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division / undertaking or other re-organisation, change in capital and others, if any additional Equity Shares are required to be issued by the Company to the Members, the ceiling as aforesaid of 100,000 (One Hundred Thousand only) Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the Option Grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of 10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect the ESOP 2016 as per the terms approved in this resolution and at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2016 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and / or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2016 and to do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP 2016.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, as may, at its absolute discretion, deems necessary including authorizing or directing the Board to appoint various intermediaries, experts, professionals, independent agencies and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of ESOP 2016 as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals, if any, required by the SEBI / Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board may delegate all or any powers conferred herein, to the Compensation and Remuneration Committee of the Board of Directors or any Executive Director of the Company with a power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard.

Resolution No. 2

Approval of grant of options to the Employees / Directors of the Company and its Subsidiary Company/ies under ESOP 2016

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereto (the "Act"), (including any modification or re-enactment thereof for the time being in force), in accordance with the Memorandum and Articles of Association of the Company, the Listing Agreements with the Stock Exchanges in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations") and such other applicable regulations which may be issued and / or amended from time to time by the Securities and Exchange Board of India (SEBI) or any other relevant authority, from time to time, to the extent applicable and subject to any approvals, consents, permissions and sanctions of any authorities as may be required, and subject to any such conditions or modifications as may be prescribed or imposed by such authorities while granting such approvals, consents, permissions and sanctions, the approval and consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer and grant from time to time, such number of Options under the ESOP 2016, to or to the benefit of the permanent employees including Directors (other than Promoter(s) and members of the Promoter Group, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company and employees who have not completed continuous service of at least 5 (five) years on a pre-determined date in Persistent Group), of any existing and future Subsidiary Company/ies of the Company whether in or outside India (hereinafter referred to as an "Eligible Employees"), as may be decided solely by the Board, convertible into not more than within overall ceiling of 100,000 (One Hundred Thousand only) fully paid-up Equity Shares in the Company in aggregate of face value of Rs. 10/- each, as mentioned in resolution no. (1) above, at such price or prices, in one or more tranches through PSPL ESOP Management Trust and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the ESOP 2016 and in due compliance with the applicable laws and regulations.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board shall formulate, evolve, decide upon and bring into effect the ESOP 2016 on such terms and conditions as approved by the Members of the Company and, make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOP 2016 from time to time including but not limited to, amendment(s) with respect to vesting period and schedule, number of options, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the ESOP 2016, such modification being not detrimental to the interests of the Employees and the Company and in accordance with applicable laws and regulations prevailing from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board may do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage, in accordance with and in compliance to laws rules and regulations as may be applicable from time to time.

RESOLVED FURTHER THAT the ESOP 2016 shall be under the control, administration and superintendence of the Compensation and Remuneration Committee.

RESOLVED FURTHER THAT the Board may delegate all or any powers conferred herein, to the Compensation and Remuneration Committee of the Board of Directors or any Executive Director of the Company with a power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard.

RESOLVED FURTHER THAT the Company shall comply with the disclosure and accounting policies prescribed by the 'Guidance Note on Accounting for Employee Share-based Payments' and / or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time.

Resolution No. 3

Approval of use of the trust route for the implementation of Persistent Systems Limited Employee Stock Option Plan 2016 ("ESOP 2016") and Secondary acquisition of the Company shares by the trust

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereto, the Memorandum and Articles of Association of the Company, Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Compensation and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to acquire, hold and deal in such number of Equity Shares of the Company acquired from the Secondary Market through PSPL ESOP Management Trust (hereinafter referred to as "Trust"), not exceeding 100,000 (One Hundred Thousand only) fully paid-up Equity Shares of face value of Rs. 10/- each, being below the ceiling of 5% of the Paid-up Equity Share Capital as on March 31, 2015, prescribed under the SEBI SBEB Regulations, for the purpose of implementation of the 'Persistent Systems Limited Employee Stock Options Plan 2016' (hereinafter referred to as the "ESOP 2016"), or for any other purpose(s) as contemplated under and in due compliance with the provisions of the SEBI SBEB Regulations.

RESOLVED FURTHER THAT Equity Shares that can be acquired from the secondary market in any financial year by the Trust shall not exceed 2% of the Paid-up Equity Share Capital as at the end of the financial year preceding the date of intended acquisition thereof.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division / undertaking or other re-organisation, change in capital and others, if any additional Equity Shares are required to be issued by the Company to the Members, the ceiling as aforesaid of 100,000 (One Hundred Thousand only) Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT the Board may delegate all or any powers conferred herein, to the Compensation and Remuneration Committee of the Board of Directors or any Executive Director of the Company with a power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard.

For and by Order of the Board of Directors of
Persistent Systems Limited

Amit Atre
Company Secretary
ACS – 20507

Place : Pune

Date : February 4, 2016

NOTES:

1. The Explanatory Statement pursuant to Section 102, 110 of the Companies Act, 2013 and the Rules thereto, giving reasons for the proposed Special Resolutions stating out material facts is annexed hereto.
2. Pursuant to the provisions of Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 (the "Rules"), the assent or dissent of the Members in respect of the above resolutions contained in this Postal Ballot Notice, is being determined through postal ballot which includes voting by electronic means.
3. In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Section 108 and 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Rules, the Company is offering e-Voting facility to all its Members as an alternate mode to exercise their right to vote. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-Voting to enable the Members to cast their votes electronically. Please note that e-Voting is optional. In case, a Member has voted through e-Voting facility, he / she is not required to send the physical Form. In case, a Member votes through e-Voting facility as well as sends his / her vote through physical Form, the vote casted through e-Voting shall only be considered and the voting through physical Form shall be ignored by the Scrutinizer.

4. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 and Rule 22 of the Rules, this Postal Ballot Notice is being sent by e-mail to those Members who have registered their e-mail address with the Company in respect of shares held in physical form, if any or with their Depository Participants (DP) (in respect of shares held in electronic form) and made available to the Company by the Depositories. Members who have not registered their e-mail address will receive this Postal Ballot Notice along with the Form through post.
5. In case, a Member is desirous of obtaining Form in printed form or a duplicate one, the Member may write to the Company at its Registered Office or send an e-mail to 'investors@persistent.com'. The Company shall forward the same along with self-addressed pre-paid postage Business Reply Envelope to the Member.
6. The Postal Ballot Notice is being sent to all the Members whose names appear in the Register of Members / Record of Depositories at the close on **Friday, February 5, 2016**. Accordingly, the reckoning of voting rights shall be based on the beneficiary position at the close of **Friday, February 5, 2016**.
7. The voting rights of the Members shall be in proportion to their shares in the total paid-up equity share capital of the Company as on **Friday, February 5, 2016**.
8. The Postal Ballot Notice is also being published in Business Standard and Loksatta publication and the same has been uploaded on the Company's website viz. 'www.persistent.com/investors' and www.cdslindia.com
9. In compliance with Rule 22(5) of the Rules, the Board of Directors has appointed Mr. Shridhar Kulkarni, Partner, M/s. SKO and Associates, Practicing Company Secretaries as the Scrutinizers for conducting the postal ballot voting process in a fair and transparent manner and in accordance with the said Rules.
10. Members are requested to carefully read the instructions printed on the Form before casting their vote and return the Form, duly completed in all respect and signed, in the enclosed self-addressed stamped Business Reply Letter to the Scrutinizer. However, envelopes containing Form, if deposited in person or sent by courier or by Registered Post at the expense of the registered Member will also be accepted. The envelopes may also be deposited personally at the address given thereon. However, the envelopes containing the Form should reach the mentioned address on the pre-paid Business Reply envelope or at the Company's Registered Office not later than **5.00 p.m. IST on Tuesday, March 15, 2016**. If the Forms are received thereafter, they shall be deemed to be not received. No other form or photocopy of the Form will be permitted / accepted.
11. In terms of the provisions of Rule 22(9) of the Companies (Management and Administration) Rules, 2014, the Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny within 7 days from the last date of receipt of Postal Ballot i.e. before Tuesday, March 22, 2016.
12. The Board of Directors has appointed Mr. Sunil Sapre, Chief Financial Officer and Mr. Amit Atre, Company Secretary as the persons responsible for the entire postal ballot process.
13. Either Dr. Anand Deshpande, Chairman and Managing Director, Mr. Mritunjay Singh, Executive Director and Chief Operating Officer, Mr. Sunil Sapre, Chief Financial Officer or Mr. Amit Atre, Company Secretary of the Company, will announce the result of postal ballot at the Registered Office of the Company situated at Bhageerath, 402 Senapati Bapat Road, Pune 411 016, India on Monday, March 21, 2016 at 2.00 p.m. IST. Members, who wish to be present at the time of declaration of the results, may do so at the said venue. The date of declaration of postal ballot result will be taken to be the date of passing the Special Resolution. The said results along with the Scrutinizer's Report would be displayed at the notice board of the Registered Office of the Company, intimated to the Stock Exchanges where the Company's shares are listed and displayed on the Company's website viz. 'www.persistent.com/investors'.
14. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturdays and Sundays between 11:00 a.m. and 2:00 p.m. upto Tuesday, March 15, 2016. A full copy of ESOP 2016 is available for the Members on 'www.persistent.com/investors'. In case, a Member is desirous of obtaining a copy of ESOP 2016 in printed form, the Member may write to the Company at its Registered Office or send an e-mail to 'investors@persistent.com'. The Company shall forward the same to the Member through mail.
15. For any queries / grievances, in relation to voting through post or electronic means, Members may contact: Mr. Bhagavant Sawant, Link Intime India Pvt. Ltd., Pune, RTA of the Company – Email ID: 'pune@linkintime.co.in'. Tel. No.: 020-2616 0084.
16. **The instructions for members for voting electronically are as under:-**
 - (i) The voting period begins on **Monday, February 15, 2016 at 9.00 a.m. IST** and ends on **Tuesday, March 15, 2016 at 5.00 p.m. IST**. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **Friday, February 5, 2016**, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The Members should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.

- (iv) Now, Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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, please 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> <p>Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login 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 a Compliance User should be created 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 linked in the login 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.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 AND 110 OF THE COMPANIES ACT, 2013 AND
THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014**

Resolution No. 1 and 2

Persistent Systems Limited (the 'Company') was incorporated on May 30, 1990 and in current financial year, the Company has completed its 25 years.

To commemorate the occasion of Silver Jubilee of the Company, the Board of Directors vide a circular resolution dated Thursday, February 4, 2016 approved the broad framework of the "Persistent Systems Limited Employee Stock Option Plan 2016" ("ESOP 2016") and proposed the same to the Members for their approval for granting stock options to the employees including Directors of the Company and its Subsidiary Company/ies who have been with the Company for a long term which has led the Company on the growth path.

The Company intends to implement new scheme i.e. ESOP 2016 for the above purpose.

The Company seeks Members' approval for ESOP 2016 and grant of options to the eligible employees / Directors (other than Promoters and members of the Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company and employees who have not completed continuous service of at least 5 (five) years on a pre-determined date in Persistent Group) of the Company and its Subsidiary/ies as decided by the Compensation and Remuneration Committee from time to time in due compliance of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, ("SEBI SBEB Regulations").

The main features of the ESOP 2016 are as under:

1. Brief Description of the Scheme(s):

This proposed Scheme called the Persistent Systems Limited Employee Stock Option Plan 2016 ("ESOP 2016") is intended to reward the Eligible Employees of the Company and its Subsidiary Company/ies, for their long term association with the Company.

Each of the stock options issued under ESOP 2016 shall be eligible for being converted into one equity share of Persistent Systems Limited. The ESOP 2016 conforms to the applicable SEBI Regulations and the provisions of the Companies Act, 2013.

2. Total number of options to be granted:

100,000 (One Hundred Thousand only) options would be available for grant to the eligible employees of the Company and its subsidiary/ies under ESOP 2016, in one or more tranches convertible into not exceeding 100,000 (One Hundred Thousand only) Equity Shares in aggregate in the Company of face value of Rs. 10/- each fully paid-up.

The SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional Equity Shares are required to be issued pursuant to any corporate action, the above ceiling of Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued subject to compliance of the SEBI SBEB Regulations.

3. Identification of classes of employees entitled to participate in ESOP 2016

Following classes of employees are entitled to participate in ESOP 2016:

- a. Permanent employees of the Company working in India or out of India;
- b. Directors of the Company; and
- c. Permanent employees and Directors of the Subsidiary Company/ies

Following persons are not eligible:

- a. an employee who is a Promoter or belongs to the Promoter Group;
- b. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company;
- c. an Independent Director within the meaning of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- d. employees of acquired entities within Persistent Group who have not completed 5 (five) years with Persistent Group.

4. Requirements of vesting and period of vesting:

The options granted shall vest so long as an employee continues to be in the employment of the Company subject to the minimum vesting period of 1 year.

5. Maximum period within which the options shall be vested:

Options granted under ESOP 2016 would vest subject to maximum period of 5 (five) years from the date of grant of such options.

6. Exercise price or pricing formula:

The options would be granted at an exercise price equal to the face value of the shares i.e. Rs.10/- per option.

7. Exercise period and the process of Exercise:

The vested options shall be allowed for exercise on and from the date of vesting. The vested options need to be exercised within a maximum period of 3 (three) months from the date of vesting of such options.

The vested options shall be exercisable by the employees by a written application to the Company or Trust expressing his / her desire to exercise such options in such manner and on such format as may be prescribed by the Compensation and Remuneration Committee from time to time. The options shall lapse if not exercised within the specified exercise period.

8. Lock-in Period

The Shares issued upon Exercise of Options shall be freely transferable and will not be subject to any lock-in period after such Exercise. Provided however that the shares allotted on such Exercise cannot be sold for such period from the date of allotment in terms of Code of Conduct for Prevention of Insider Trading of the Company read with Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended or replaced from time to time or such other period as may be stipulated from time to time in terms of the Company's Insider Trading Code of Conduct.

9. Conditions under which option vested in employees may lapse

Vested options which result to non-exercise and / or unvested options that get cancelled due to resignation / termination of the employees will get lapsed.

10. Time Period within which the employee shall exercise vested stock options in the event of a proposed termination of employment or resignation of employee

Sr. No.	Particulars	Vested*	Unvested*
a.	Resignation / Termination (other than due to misconduct or breach of company policies / terms of employment)	All the Vested Options as on the date of submission of resignation shall be exercisable by the Option Grantee within three months from his last working day with the Company.	All Unvested Options as on the date of submission of resignation shall stand cancelled with effect from that date.
b.	Termination due to misconduct or due to material breach of policies or the terms of employment	All the Vested Options which were not Exercised at the time of such termination shall stand cancelled with effect from the date of such termination	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.

* Subject to the maximum Exercise period approved by the Members of the Company from the date of vesting of Options.

11. Determining the eligibility of employees under ESOP 2016:

The eligibility of the employees will be determined by the Compensation and Remuneration Committee from time to time.

12. Maximum number of options to be issued per employee and in aggregate:

The number of options that may be granted per employee of the Company under the ESOP 2016, in any financial year under the ESOP 2016 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company at the time of grant.

13. Maximum Quantum of benefits to be provided per employee under the ESOP 2016:

The Maximum quantum of benefits underlying the options issued to an eligible employee shall be equal to difference between the option Exercise Price and the Market Price of the shares on the exercise date.

14. Scheme Implementation and administration

The Scheme shall be implemented and administered by PSPL ESOP Management Trust (the "Trust").

15. Source of acquisition of shares for the implementation of the ESOP 2016

The Scheme contemplates Secondary Acquisition of shares ("Secondary Shares") by the Trust.

16. The amount of loan to be provided for implementation of the Scheme by the Company to the Trust, its tenure, utilisation, repayment terms etc.

The Company is not granting any loan to the Trust for ESOP 2016.

17. Maximum percentage of Secondary Acquisition that can be made by the Trust for the purchase of the scheme

The total number of Shares under Secondary Acquisition held by the Trust shall not, at any time, exceed 5% of the paid up equity capital of the Company as on March 31, 2015.

Equity Shares that can be acquired from the Secondary Market in any financial year by the Trust shall not exceed 2% of the Paid-up Equity Share Capital as at the end of the financial year preceding the date of intended acquisition (or such other limits as may be prescribed under the SEBI SBEB Regulations).

18. Accounting and Disclosure Policies:

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and / or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

19. Method of Valuation of options:

To calculate the employee compensation cost, the Company shall use the Intrinsic value method for valuation of the options granted.

The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earnings per Share (EPS) of the company shall also be disclosed in the Directors' report.

Consent of the members is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under ESOP 2016 and to the extent of their shareholding, if any.

The Board recommends the Special Resolutions No. 1 and 2 of this Notice for the approval by the Members.

Resolution No. 3

ESOP 2016 contemplates dealing in / acquisition of secondary shares through PSPL ESOP Management Trust (the "Trust") route with a view to manage/ restore the equity shareholding dilution of the members. ESOP 2016 envisages acquisition / use of 100,000 (One Hundred Thousand only) Equity Shares within the term of the ESOP 2016.

The Board of Directors vide a Circular Resolution dated Thursday, February 4, 2016 approved ESOP 2016 envisaging aforesaid number of Equity Shares which is below the statutory ceiling of 5% of Paid-up Equity Share Capital as on March 31, 2015 prescribed under SEBI SBEB Regulations.

Consent of the members is being sought by way of a special resolution pursuant to Regulation 6 of the SEBI SBEB Regulations.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under ESOP 2016 and to the extent of their shareholding, if any.

The Board recommends the Special Resolution No. 3 of this Notice for the approval by the Members.

For and by Order of the Board of Directors of
Persistent Systems Limited

Amit Atre
Company Secretary
ACS - 20507

Place : Pune
Date : February 4, 2016

Persistent Systems Limited

(CIN: L72300PN1990PLC056696)

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

Tel. No. +91 (20) 6703 0000; Fax No. +91 (20) 6703 0009

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



PERSISTENT

Postal Ballot Form

Srno. :

1. Name and Registered address of the :
Sole/first named Shareholder/Member
(in block letter)
2. Name(s) of the Joint Shareholder(s)/ :
Member(s), if any
3. Registered Folio Number/ DP ID / Client :
ID Number* (*Applicable to members
holding shares in dematerialized form)
4. Number of share(s) held :

I / We hereby exercise my / our vote in respect of the Special Resolutions to be passed through Postal Ballot for the business stated in the Postal Ballot Notice of the Company dated February 4, 2016 by sending my / our assent / dissent to the said Resolutions by placing the tick mark (v) at the appropriate boxes below:

Resolution No.	Description	No. of Shares	I / we assent to the Resolution (FOR)	I / we dissent to the Resolution (AGAINST)
1.	Approval of Persistent Systems Limited Employee Stock Option Plan 2016 ('ESOP 2016')			
2.	Approval of grant of options to the Employees / Directors of the Company and its Subsidiary Company/ies under ESOP 2016			
3.	Approval of use of the trust route for the implementation of Persistent Systems Limited Employee Stock Option Plan 2016 ("ESOP 2016") and Secondary acquisition of the Company shares by the trust			

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	*Sequence No.
160204010	

* Only Members who have not updated their PAN with the Company/ Depository Participant shall use sequence no. in the PAN field.

(Signature of the Member)

Place :

Date :

Note: Please read the instruction printed overleaf carefully before exercising your vote.

INSTRUCTIONS

1. A Member may vote through the Postal Ballot or alternatively may vote electronically. In case, a Member exercises the voting rights electronically then there is no need to use this form. For e-Voting instructions, please refer the Notice of the Postal Ballot.
2. For the resolutions, explanatory statement and notes, please refer the Notice of the Postal Ballot.
3. The Board of Directors of the Company has appointed Mr. Shridhar Kulkarni, Partner (bearing CP No. 3950), M/s. SKO and Associates, Practicing Company Secretaries, Pune as the Scrutinizers for conducting the Postal Ballot and e-Voting processes in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for this purpose.
4. A Member desirous of exercising his / her vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed postage pre-paid Business Reply Envelope (if posted from India). Postage will be borne by the Company. However, any envelope containing Postal Ballot if sent by courier / any other mode or through post by using any other envelope to c/o. Link Intime India Limited at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, India before 5.00 p.m. IST on Tuesday, March 15, 2016 at the expense of the Member will also be accepted. All Postal Ballot Forms received after this time and date will strictly be treated as if reply from the Members has not been received.
5. This Form must be completed and signed by the Member. In case of joint-holding, this Form must be completed and signed (as per the specimen signatures registered with the Company / Depository Participants) by the first named Member and in his absence, by the next named joint holder. A Power of Attorney (PoA) holder may vote on behalf of a Member, enclosing the copy of a PoA duly attested by Notary Public.
6. Institutional Members are requested to send a scanned copy of relevant Board Resolution / Power of Attorney together with the attested specimen signature of the duly authorized signatory/ies who are authorized to vote, to the Scrutinizer at shridhar.kulkarni@legalogic.co.in with a copy marked to helpdesk.evoting@cdslindia.com.
7. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution together with the specimen signature(s) of the duly authorised signatories.
8. The Postal Ballot shall not be exercised by a Proxy.
9. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member on the cut-off date of Friday, February 5, 2016.
10. There will be one Postal Ballot Form for every Folio / DP ID and Client ID, irrespective of the number of joint holders.
11. Members are requested to convey their assent / dissent in this Postal Ballot Form by placing the tick mark (3) at the appropriate box. A Member need not cast all the votes in the same way. The assent / dissent received in any other form or a photocopy of the Postal Ballot Form shall be considered invalid.
12. A Member may request for a duplicate physical copy of Ballot Form, if so required, by sending an e-mail to investors@persistent.com mentioning his / her registered Folio No. / DP ID and Client ID.
13. Unsigned, incomplete or incorrectly ticked Postal Ballot Form shall be rejected. A Ballot Form shall also be rejected if it is received in torn, defaced or mutilated condition or in such a manner by which it is difficult for the Scrutinizer to identify the details mentioned in the Ballot Paper.
14. The Scrutinizer's decision on the validity of the Postal Ballot Form shall be final.
15. Members are requested not to send any other paper along with the Postal Ballot Forms in the enclosed self-addressed postage pre-paid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.