

NSE & BSE / 2017-18 / 41

June 26, 2017

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

The Manager,
Corporate Services,
BSE Limited
14th Floor, P J Towers, Dalal Street,
Mumbai 400 001

Ref: Symbol: PERSISTENT

Ref: Scrip Code: 533179

Dear Sir / Madam,

Sub: Submission of Notice of the 27th Annual General Meeting of the Company pursuant to the provisions of Regulation 29 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015

Ref: Our letter bearing Ref. No. NSE & BSE / 2017-18 / 28 dated May 30, 2017

We refer to our above mentioned letter to your office where we informed that the 27th Annual General Meeting will be held on Thursday, July 20, 2017.

In continuation of the same, please find enclosed the Notice of the 27th Annual General Meeting of the Company.

The Company has sent the Notice to the members whose name appeared on the Register of Members as on June 9, 2017.

This is for your information and records please.

Please acknowledge the receipt.

Thanking you,

Yours faithfully,
For **Persistent Systems Limited**



Amit Atre
Company Secretary



Encl.: As above

Dear Member,

We are delighted to invite you to attend the Twenty-Seventh Annual General Meeting of the Company scheduled to be held on Thursday, July 20, 2017 at 1100 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. Shivaji Nagar Railway Station
5. Pune Railway Station
6. Swargate Bus Depot

If you wish to avail this facility, we request you to please inform us your name, pick-up point and contact details by Monday, July 17, 2017, through an e-mail to '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 also requested to contact Mr. Amol Undre.

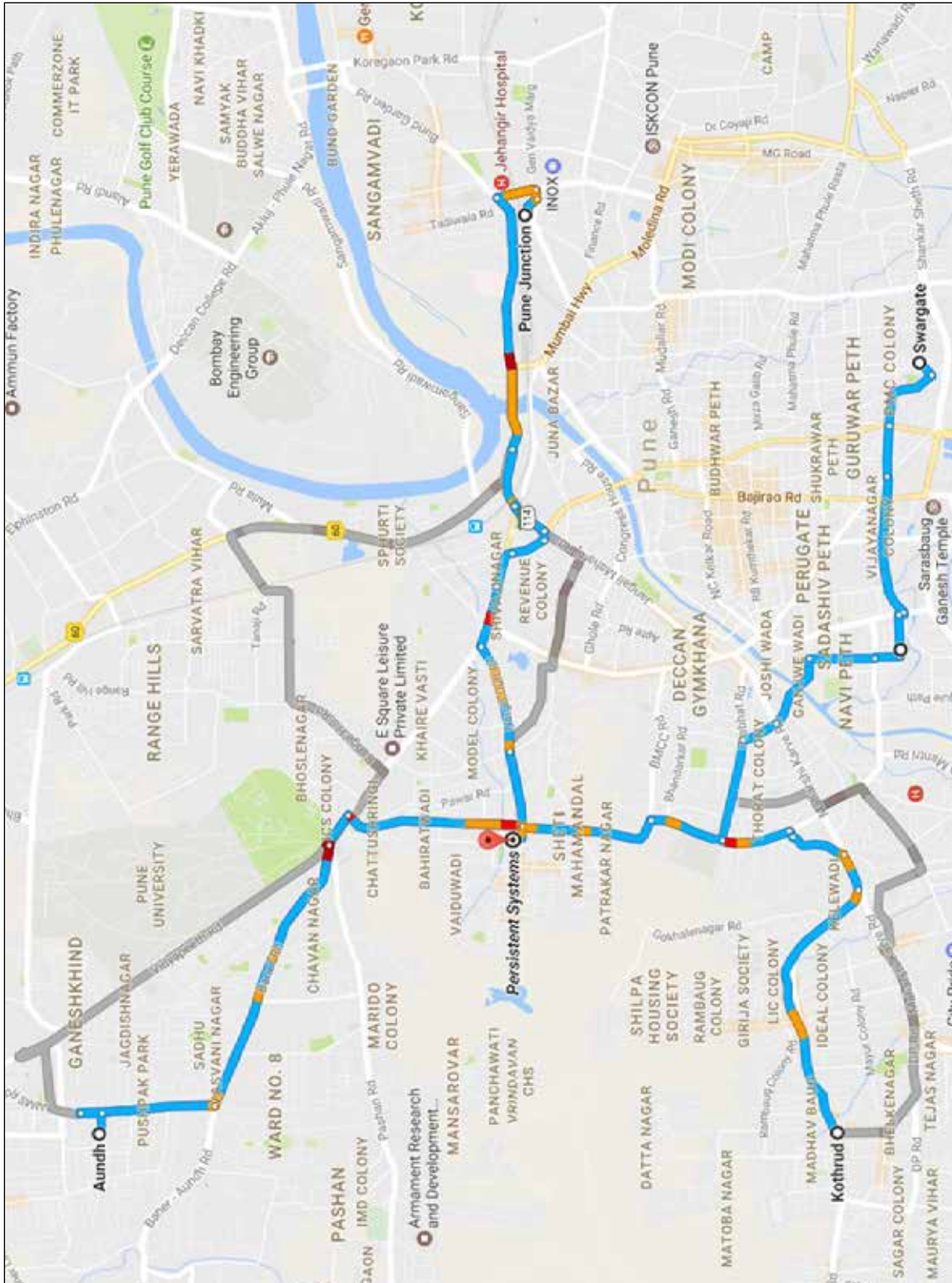
Sincerely,

Anand Deshpande, Ph.D.
Chairman and Managing Director

May 30, 2017



Route map to the venue of the 27th Annual General Meeting



Notice

NOTICE is hereby given that the TWENTY-SEVENTH Annual General Meeting of the Members of Persistent Systems Limited will be held on Thursday, July 20, 2017 at 1100 Hrs. (India Time) at Persistent Systems Limited, Dewang Mehta Auditorium, Bhageerath, 402 Senapati Bapat Road, Pune 411 016, India to transact the following businesses:

Item No. of Notice	Summary of Businesses to be transacted at the 27 th Annual General Meeting	Page No.
	Ordinary Businesses	
1.	To receive, consider and adopt: a. Audited Financial Statements, Reports of the Board of Directors and Auditors thereon, and b. Audited Consolidated Financial Statements	3
2.	To confirm the payment of the Interim Dividend of ₹ 6 per share and to declare a Final Dividend of ₹ 3 per share for the financial year 2016-17	3
3.	To appoint a director in place of Dr. Anand Deshpande, Chairman and Managing Director, who retires by rotation and has confirmed his eligibility and willingness to accept office, if re-appointed.	3
4.	To ratify the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as the Statutory Auditors of the Company to hold office upto the conclusion of the 29 th Annual General Meeting to be held in the calendar year 2019	7
	Special Businesses	
5.	To note and approve the change in designation of Mr. Thomas (Tom) Kendra (DIN: 07406678) from 'Independent Director' to 'Non-Executive Non-Independent Director' of the Company	8
6.	To consider and approve amendment to the Memorandum of Association of the Company	8
7.	To approve Persistent Systems Limited - Employee Stock Option Plan 2017	8
8.	To approve grant of employee stock options to the employees of subsidiary companies of the Company under Persistent Systems Limited - Employee Stock Option Plan 2017	9
9.	To approve acquisition of shares from secondary market through Trust route for the implementation of Persistent Systems Limited - Employee Stock Option Plan 2017	10
10.	To make a provision of money by the Company for purchase of its own shares by the Trust for the benefit of employees under Persistent Systems Limited - Employee Stock Option Plan 2017	11

ORDINARY BUSINESSES:

1. To receive, consider and adopt:
 - a. the audited financial statements of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon, and
 - b. the audited consolidated financial statements of the Company for the financial year ended March 31, 2017.
2. To confirm the payment of the Interim Dividend of ₹ 6 per share and to declare a Final Dividend of ₹ 3 per share for the financial year 2016-17.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Dr. Anand Deshpande (DIN: 00005721), Chairman and Managing Director, retiring by rotation and being eligible for re-appointment has confirmed his eligibility and willingness to accept the office, be and is hereby re-appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Section 2(78), 2(94), 197, 203 and Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof, for the time being in force) and the Rules made thereunder, consent of the Company be and is hereby accorded for the re-appointment of Dr. Anand Deshpande as the Managing Director of the Company to hold office for a further period of 5 (Five) years, effective from July 20, 2017, for a term up to the conclusion of



the 32nd Annual General Meeting of the Company to be held on or before September 30, 2022, on the terms and conditions as mentioned below:

i. Basic Salary

In the range of ₹ 2,00,000 to ₹ 5,00,000 per month.

ii. Bonus

Bonus, as may be decided by the Board upto a maximum of 3% (Three percent) of the Net Profits payable quarterly or at other intervals.

iii. Allowances

Allowances in the nature of City Compensatory Allowance, Dearness Allowance, Personal Allowance, Special Allowance or such other allowance, by whatever name called calculated as a percentage of Basic Salary or fixed amount, as decided by the Board of Directors from time to time.

iv. Perquisites and other benefits

a. Housing:

- The expenditure by the Company on hiring furnished accommodation shall be subject to a ceiling of 50% of the Basic Salary. The perquisite value shall be computed in accordance with the prevailing Income Tax Rules.
- In case the Company provides no accommodation, a House Rent Allowance subject to a ceiling of 50% of the Basic Salary.

In addition, the Company shall provide for maintenance of a house.

- The Company may provide the services of a sweeper and/or gardener at the residence of the Managing Director. The Company shall pay the monthly wages of each of them which shall be valued as taxable perquisite as per the prevailing Income Tax Rules.

b. Domestic Utilities: The Company shall re-imburse expenses for utilities such as gas, electricity, water, repairs at the residence of the Managing Director.

c. Re-imbursement of Corporate Relation Expenses: The Managing Director shall be entitled to a re-imbursement of Corporate Relations Expenses subject to submission of bills.

d. Medical Re-imbursement: Medical and Hospitalisation benefits for self and family by way of reimbursement of expenses actually incurred, the total cost of which shall not exceed such amount as decided by the Board of Directors from time to time.

e. Leave travel concession / allowance: For self and family once in a year, as decided by the Board of Directors from time to time.

f. Club fees: Entrance fees (excluding life membership fees) and monthly subscription fees payable subject to a maximum of two clubs.

g. Life Insurance Policy, Personal Accident Insurance and Mediclaim Policy: Life Insurance Policy, Personal accident insurance for self and Mediclaim policy for self and dependent family members as per the rules of the Company. In addition, Life Insurance policy for self and dependent family members subject to the annual premium not exceeding ₹ 1,00,000.

h. Company's contribution to provident fund and superannuation fund: As per the rules of the Company.

i. Gratuity: As per the rules of the Company.

j. Earned / privileged leave: As per the rules of the Company.

k. Encashment of leave: As per the rules of the Company.

l. Company car: The Company will provide a car with a driver, for all his official and personal needs. In this case, no Commuting Allowance will be paid.

If Managing Director chooses not to use the Company vehicle, then he will be entitled to a vehicle allowance as decided by the Board of Directors from time to time.



- m. Telephone / Telefax / Internet:** The Company shall re-imburse rent, taxes and call charges of telephone / telefax at residence of the Managing Director. The Company shall also provide cellular phones with roaming facility and re-imburse all charges pertaining to the same. The Company shall also re-imburse the cost of Internet connection at the residence of the Managing Director.
- n. Books and Periodicals:** The Managing Director shall be entitled to re-imbursement of the cost of books and periodicals subject to a ceiling as decided by the Board of Directors from time to time.
- o. Other Privileges:** Such other privileges, facilities, perquisites and amenities as may be applicable from time to time to the Executives of the Company.

Explanation:

Perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.

'Family' means spouse, dependent children and dependent parents of the Managing Director.

RESOLVED FURTHER THAT the Board of Directors (the 'Board') based on the recommendations of the Compensation and Remuneration Committee or any of its Committee, by whatever name called, be authorized in its absolute discretion and from time to time, to fix within the range stated above, the salary payable to Dr. Anand Deshpande.

RESOLVED FURTHER THAT Dr. Anand Deshpande be designated as 'Managing Director' or such other designation as decided by the Board from time to time.

RESOLVED FURTHER THAT where in any financial year during the tenure of Dr. Anand Deshpande as the Managing Director of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to Dr. Deshpande, the remuneration by way of salary, bonus and other allowances not exceeding the limits specified under Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the term of Dr. Anand Deshpande as the Managing Director of the Company shall be on continued basis on his re-appointment at the Annual General Meeting, when he retires by rotation.

RESOLVED FURTHER THAT Dr. Anand Deshpande be authorised to exercise the following powers:

- A. Subject to the superintendence, control and directions of the Board of Directors of the Company, Dr. Anand Deshpande, so long as he holds the position of the Managing Director of the Company, shall have the general authority for conduct and management of the whole of business and affairs of the Company except in the matters which may be specifically required to be done by the Board either pursuant to the Companies Act, 2013 or by the Articles of Association of the Company.
- B. Dr. Anand Deshpande shall exercise and perform such powers and duties as the Board of Directors of the Company may from time to time determine and shall also do and perform all other acts and things which in the ordinary course of business, he may consider necessary or proper or in the interest of the Company and in particular but without in any way restricting the general powers and authorities hereinbefore conferred upon, Dr. Anand Deshpande shall in particular have the following powers on behalf of the Company:
 1. To manage, conduct and transact day-to-day business, affairs and operations of the Company including power to enter into contracts and to vary and rescind them;
 2. To enter into and become party to and to sign and execute all deeds, instruments, contracts, receipts and all other documents or writings on behalf of the Company whether statutory or otherwise;
 3. To become party to and to present for registration and admit execution of and to do every act, matter or thing necessary or proper to enable registration on behalf of the Company of all deeds, instruments, contracts, agreements, receipts and all other documents whatsoever;
 4. To convene meetings of the Board of Directors, Committees of the Board and the ordinary or extraordinary general meetings of the shareholders;
 5. To insure and keep insured the Company's properties, buildings, machinery, plants, materials, equipment and all other properties of the Company, movable or immovable either lying in the offices, or elsewhere or in transit for import against loss or damage by fire or other risks and to sell, assign, surrender or discontinue any of the insurances effected in pursuance of this;



6. To incur expenses as may be necessary to maintain offices and other buildings and otherwise deal with the Company's properties, articles or things or for the purposes of the business of the Company;
7. To raise or borrow (otherwise than by way of debentures / deposits) from time to time on behalf of the Company, funds not exceeding INR Fifty Crores between two consecutive Board Meetings;
8. To invest and deal with the moneys of the Company not exceeding INR Fifty Crores between two consecutive Board Meetings or to deposit the same with banks and from time to time to realise and vary such investments;
9. To make loans, provide guarantee or give security for the amount not exceeding INR Fifty Crores between two consecutive Board Meetings;
10. To operate upon and close accounts current, fixed or otherwise with any bank/s, merchant/s or with any company/ies, firm/s, individual/s and to pay moneys into and to draw moneys from any such account or accounts from time to time;
11. To enter into Foreign Currency contracts for hedging the Company's underlying outstanding export and import exposures and other outstanding foreign currency liabilities;
12. To attend any general meeting of any of the companies in which the Company holds shares or is a member or any adjournment thereof and to exercise all the rights and powers of a member on behalf of the Company in the same manner as the Company could exercise if it were personally present as an individual member of such company / companies, including the right to appoint one or more proxies to attend and vote at any of the general meetings;
13. To appoint or employ for the Company's transactions and management of affairs and from time to time to discharge or remove or suspend or re-appoint and re-employ or replace managers, officers, employees and other members of the staff of the Company, bankers, all kinds of agents, brokers, advocates, solicitors, pleaders, lawyers, engineers, technicians and experts with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise;
14. To incur such expenses, in unavoidable situations and exigencies, as may deem expedient for business purposes subject to ratification by the Board of Directors;
15. To make applications to various Government, semi-government and local authorities and to execute requisite declarations, statements and other documents, on behalf of the Company, for any permissions, licenses and registrations and enhance or modify the application that are necessary for the Company for carrying out the day to day affairs of the Company and to comply with and/or cause to be complied with all statutory requirements affecting the Company and to represent the Company before any Government, courts of law, civil, criminal, industrial or labour, revenue or before all conciliators, other public officers, authorities, bodies or tribunals in connection with all suits, actions, petitions, appeals and other legal or other proceedings and matters whether civil, criminal, revenue, industrial or labour in which the Company may be concerned or interested whether as plaintiffs, defendants, petitioners, appellants, respondents, opponents, prosecutors, opposing creditors or in any other capacity whatsoever or otherwise howsoever and in all matters in anywise concerning the business affairs and properties of the Company and to appear and to represent the Company in all actions, suits, appeals, petitions and other proceedings under all Acts or enactments of the Parliament of India or of any State Legislature and to affirm, declare and sign all pleadings, applications, petitions, statements, memorandum of appeal, affidavits, documents, acknowledgments and papers in connection therewith and to appear and to represent the Company before all officers, authorities, bodies or tribunals under any of the said Acts or enactments;
16. To apply for and obtain copies of returns of Income / Wealth tax statements, refund orders, depositions, correspondence, proceedings, assessment orders, appellate orders or orders of tax / in land revenue authorities on the Company's behalf herein and to carry on all correspondence and also apply for extension of time, accept notices, assessment orders, appellate orders, revision orders, tribunal judgment etc., on behalf of the Company;
17. To institute, defend, prosecute, conduct, compound, refer to arbitration and abandon and to compromise legal or other proceedings, claims and disputes by or against the Company or in which the Company may be concerned or interested;
18. To collect, ask, demand, sue or recover and receive from all persons, firms, companies, societies including the Government, its agents and servants or local authorities in any part of the world, liable to pay, transfer and

deliver the same respectively all such sums of money, stocks, funds, interests, dividends, debts, dues, goods, effects and things now or hereafter to be owing or payable or belonging to the Company by virtue of any security or by right, title, ways or means howsoever or upon any balance of accounts and upon receipt thereof to ask, demand, sue for, recover and receive from persons or from everybody, political or corporate, whom it shall or may concern all sums of money, debts, dues, chattels, effects and things of whatsoever nature and description which now are or at any time or times during the subsistence of these presents shall or may be or become owing, payable or belonging to the Company in or by any right, title, ways or means howsoever;

19. To protest unpaid bills, obtain declarations of bankruptcy from others, attend and vote at all meetings in all bankruptcy, insolvency and liquidation or other proceedings in which the Company may be interested or concerned, concur in or object to the appointment of trustees and members of committees of control and take part in the same, and accept and repudiate composition whether judicial or otherwise;
20. To engage, constitute, appoint and remove advocates, attorneys, lawyers, pleaders or other authorities to advise the Company, to prosecute or defend all proceedings in which the Company may be concerned and to advise the Company on all legal and tax issues and in connection with any reference or proceedings in the Tribunals, in the High Court or other Court in connection with the above matters or in or about the premises and to sign vakalatnamas or warrants to act or appeals in any such matters;
21. To apply for, purchase or otherwise acquire any patents, trademarks, copyrights, designs and inventions, licenses, trade secrets, concessions and the like conferring any exclusive or non-exclusive or limited right to use or any secret or other information as to any invention which may seem capable of being used for any of the Company's purposes or the acquisition of which may seem calculated directly or indirectly to benefit the Company and in accordance with the terms, if any, of such property rights or information so acquired to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property rights or information so acquired;
22. To sign various applications, forms, returns or any other document to be filed by the Company under the provisions of the Companies Act, 1956 and the Companies Act, 2013 by using Digital Signature Certificate; and
23. To delegate from time to time as he thinks fit to do, execute and perform all or any such matters and things as aforesaid to the Executive Director/s or other officers of the Company.

RESOLVED FURTHER THAT the Board of Directors through an in-person meeting or by way of circulation, be authorised to add, delete or amend the powers and responsibilities of Dr. Anand Deshpande, as may be necessary from time to time, in the best interest of the Company.

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and with M/s. Joshi Apte & Co., Chartered Accountants (Firm Registration No. 104370W), Pune retiring at the ensuing 27th Annual General Meeting, the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as the Joint Statutory Auditors of the Company, as approved by the Members at the 24th Annual General Meeting of the Company held on July 26, 2014, be and is hereby ratified to hold office as the Statutory Auditors of the Company up to the conclusion of the 29th Annual General Meeting of the Company to be held in the calendar year 2019 (subject to ratification of the appointment by the Members at every Annual General Meeting to be held during the said tenure) and that the Board of Directors of the Company be and are hereby authorized to fix such remuneration, as may be recommended by the Audit Committee for each year during the said tenure.

**SPECIAL BUSINESSES:**

5. To note and approve the change in designation of Mr. Thomas (Tom) Kendra (DIN: 07406678) from 'Independent Director' to 'Non-Executive Non-Independent Director' of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT the consent of the Members be and is accorded for noting the change in designation of Mr. Thomas (Tom) Kendra (DIN: 07406678) from 'Independent Director' to 'Non-Executive Non-Independent Director' of the Company with effect from April 1, 2017.

6. To consider and approve amendment to the Memorandum of Association of the Company

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

RESOLVED THAT consequent to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such approvals as may be necessary or required, the approval of the Members be and is hereby granted for alteration of the Object Clause of the Memorandum of Association of the Company by inserting Clause No. 12A after the existing Clause No. 12 under 'Sr. No. III(B) - OBJECTS INCIDENTAL AND ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS' as follows:

12A. To guarantee the performance of any contract or obligation of any company, firm or person and to issue letter of comfort for or to guarantee the payment of money, unsecured or secured by or payable under or in respect of loans, bonds, debentures, debenture-stock, contracts, borrowing, mortgages, charges, obligations and other securities of any company or of any authority, central, state, municipal, local or otherwise or of any person whatsoever, whether incorporated or not and generally to issue letter of comfort for or to guarantee the issue of or payment of interest on shares, loans, debentures, debenture-stock, borrowings or other securities or obligations of any company or association and to pay or provide for brokerage, commission and underwriting in respect of any such issue.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

7. To approve Persistent Systems Limited - Employee Stock Option Plan 2017

To consider and if deemed fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under and in accordance with the Memorandum and Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), and subject further to such other approvals, permissions and sanctions as may be necessary and 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 introduction and implementation of an employee stock option plan namely 'Persistent Systems Limited - Employee Stock Option Plan 2017' ("ESOP 2017" or "Plan") through PSPL ESOP Management Trust ("Trust") of the Company, authorising 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 create, and grant from time to time, in one or more tranches, not exceeding 34,00,000 (Thirty Four Lakh) employee stock options to or for the benefit of such person(s) who are in permanent employment of the Company and/or its subsidiaries within the meaning of ESOP 2017, including any director, whether whole-time or otherwise (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), as may be decided under ESOP 2017, exercisable into not more than 34,00,000 (Thirty Four Lakh) equity shares of face value of ₹ 10 (INR Ten) each fully paid-up in aggregate, where one employee stock option would convert in to one equity share upon exercise and be transferred to the option grantee by the Trust out of 30,00,000 (Thirty Lakh) shares to be acquired from secondary market and



balance from Trust's existing shareholding, on such terms and in such manner as the Board / Committee may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2017.

RESOLVED FURTHER THAT a maximum of 2,00,000 (Two Lakh) employee stock options that may be granted to any employee including any whole-time director of the Company or of any subsidiary company, in any financial year and in aggregate under the ESOP 2017.

RESOLVED FURTHER THAT the equity shares to be transferred by the Trust as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company.

RESOLVED FURTHER THAT subject to the extent allowed in SEBI SBEB Regulations, in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are required to be transferred by the Trust to the option grantees for the purpose of making a fair and reasonable adjustment to the employee stock options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares required to be transferred.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be transferred by the Trust and the price of acquisition payable by the option grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of ₹ 10 per equity share shall bear 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 grantees.

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 2017.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2017 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 2017 and do all other things incidental and ancillary thereof.

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 to appoint merchant bankers, brokers, solicitors, registrars, compliance officer, investors service centre and other advisors, consultants or representatives, being incidental to the effective implementation and administration of ESOP 2017 as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT subject to the extent allowed under the applicable laws, the Board be and is hereby authorized to delegate such powers to the Compensation and Remuneration Committee of the Board with a power to further delegate to any executives / officers of the Company or of the Trust or to the trustees thereof, to do required acts, deeds, matters and things as also to execute such documents, writings, etc. as may be deemed necessary in connection with implementation/ administration of ESOP 2017.

8. To approve grant of employee stock options to the employees of subsidiary companies of the Company under Persistent Systems Limited - Employee Stock Option Plan 2017

To consider and if deemed fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under and in accordance with the Memorandum and Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), and subject further to such other



approvals, permissions and sanctions as may be necessary and 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 authorizing 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, grant and issue from time to time, in one or more tranches of such number of employee stock options under 'Persistent Systems Limited - Employee Stock Option Plan 2017' ("ESOP 2017" or "Plan") within the limit prescribed therein to or for the benefit of the permanent employees including any director, whether whole-time or otherwise, (other than Promoter(s), Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), of any subsidiary company(ies) of the Company whether in or outside India, as may be decided under ESOP 2017, exercisable into corresponding number of equity shares of face value of ₹ 10 (INR Ten only) each fully paid-up, where one employee stock option would convert in to one equity share upon exercise and be transferred to the option grantee by the PSPL ESOP Management Trust of the Company, on such terms and in such manner as the Board/ Committee may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2017.

9. To approve acquisition of shares from secondary market through Trust route for the implementation of Persistent Systems Limited - Employee Stock Option Plan 2017

To consider and if deemed fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under and in accordance with the Memorandum and Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), and subject further to such other approvals, permissions and sanctions as may be necessary and 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 authorizing 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 from the secondary market by /through 'PSPL ESOP Management Trust' ("Trust") of the Company, not exceeding 30,00,000 (Thirty Lakh) fully paid-up equity shares of face value of ₹ 10 each in aggregate, being 3.75% of the paid-up equity share capital of the Company as on March 31, 2017 which along with existing Trust shareholding acquired through secondary market shall be below the statutory ceiling prescribed under the SEBI SBEB Regulations, for the purposes of implementation of the Persistent Systems Limited - Employee Stock Option Plan 2017.

RESOLVED FURTHER THAT equity shares that can be acquired from the secondary market in any financial year by the Trust shall not exceed such ceiling as may be prescribed under SEBI SBEB Regulations from time to time.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, or other re-organisation, if any additional equity shares are required to be issued by the Company to its shareholders, the ceiling aforesaid in terms of number of equity shares intended to be acquired from secondary market shall be deemed to increase in proportion of such additional equity shares issued to facilitate making a fair and reasonable adjustment as per SEBI SBEB Regulations.

RESOLVED FURTHER THAT the Trust shall not deal in derivatives, and shall undertake only delivery based transactions for the purposes of secondary acquisition as permitted by the SEBI SBEB Regulations.

RESOLVED FURTHER THAT the Trustees of the Trust shall not vote in respect of the shares acquired and held by such Trust.

RESOLVED FURTHER THAT for the purposes of disclosures to the stock exchange, the shareholding of the Trust shall be shown as non-promoter and non-public shareholding.

RESOLVED FURTHER THAT the Trustees of the Trust shall ensure compliance of the provisions of the SEBI SBEB Regulations, Rules made under the Companies Act, 2013 and all other applicable laws at all times in connection with acquisition and dealing in the shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed.

10. To make a provision of money by the Company for purchase of its own shares by the Trust for the benefit of employees under Persistent Systems Limited - Employee Stock Option Plan 2017

To consider and if deemed fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 67 and all other applicable provisions, if any, of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, Regulation 3 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations"), read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014, and subject further to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Company be and is hereby accorded authorizing 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 grant loan, to provide guarantee or security in connection with a loan granted or to be granted to, the existing employee welfare trust namely 'PSPL ESOP Management Trust' ("Trust") of the Company, in one or more tranches, by such sum of money which in aggregate shall not exceed 5% (Five Percent) of the aggregate of the paid up share capital and free reserves of the Company as per audited accounts as on March 31, 2017, with a view to enable the Trust to acquire permitted number of equity shares of the Company from the secondary market for facilitating implementation of 'Persistent Systems Limited - Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan").

RESOLVED FURTHER THAT the Trust shall use the loan amount disbursed from time to time only for the purposes of the ESOP 2017 strictly in accordance with provisions of SEBI SBEB Regulations.

RESOLVED FURTHER THAT any loan to be provided by the Company shall be at arm's length basis as to rate of interest subject to tenure of such loan being 8 (Eight) years from the date of each tranche of loan disbursement or term of ESOP 2017, whichever is earlier subject further to loan moratorium up to 5 (Five) years from the date of disbursement.

RESOLVED FURTHER THAT subject to the broad terms above, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, to settle any issues, questions, difficulties or doubts that may arise in this regard including any modification in the terms of loan 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.

RESOLVED FURTHER THAT subject to the extent allowed under the applicable laws, the Board be and is hereby authorized to delegate such powers to the Compensation and Remuneration Committee of the Board with a power to further delegate to any executives / officers of the Company, to do required acts, deeds, matters and things as also to execute such documents, writings, agreement, etc. as may be deemed necessary in this regard.

By the order of the Board of Directors

Amit Atre
Company Secretary
ACS - 20507

Pune, May 30, 2017

Persistent Systems Limited
CIN: L72300PN1990PLC056696
Registered 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

**NOTES:**

1. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, with respect to the Special Business to be transacted at the Twenty-Seventh Annual General Meeting (the 'Meeting / AGM') is annexed hereto.
2. Pursuant to SS-2 i.e. Secretarial Standard on General Meetings as issued by the Institute of Company Secretaries of India, the route map for reaching the Meeting venue showing the prominent landmarks is given elsewhere in this Notice. Further, the Company has uploaded the above route map on its website at '[http://www.persistent.com/investors/annual-general-meeting'](http://www.persistent.com/investors/annual-general-meeting)'.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll 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.
4. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10 (ten) per cent of the total share capital of the Company carrying voting rights. A member holding more than 10 (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.
5. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. Members are requested to bring their attendance slip along with a copy of their Annual Report to the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. As a measure of austerity and green initiatives of the Company, copies of Annual Report will not be distributed at the Annual General Meeting.
9. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
10. 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 the Meeting.
11. The Company has notified closure of the Register of Members and Share Transfer Books from Friday, July 14, 2017 to Thursday, July 20, 2017 (both days inclusive).
12. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Link Intime India Private Limited (Registrar and Share Transfer Agent of the Company).
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Link Intime India Private Limited.
14. Non-Resident Indian Members are requested to inform their Depository Participant, immediately of:
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete bank name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
15. Information and other instructions relating to e-voting are as follows:
 - A. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,



2015 ('Listing Regulations'), the Company is pleased to provide its Members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- B. The facility for casting the vote through ballot paper or venue e-voting will be made available at the Meeting and the Members attending the Meeting who have not casted their vote by means of remote e-voting shall be able to cast their vote at the Meeting through ballot paper or venue e-voting.
- C. The Members who have casted their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again. In case any Member casts his/her vote through ballot or venue e-voting to be conducted at the Meeting in addition to remote e-voting, his voting through remote e-voting shall be considered as Final and vote casted through ballot or venue e-voting shall be considered as invalid.
- D. Voting rights shall be reckoned on the number of shares registered in the name of the Member / Beneficial Owner (in case of electronic shareholding) as on the cut-off date i.e. Thursday, July 13, 2017.
- E. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. Thursday, July 13, 2017 only shall be entitled to avail the facility of remote e-voting / ballot / venue e-voting.
- F. The remote e-voting period commences from 12:01 a.m. (IST) on Monday, July 17, 2017 and ends on Wednesday, July 19, 2017 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 of Thursday, July 13, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is casted by the Member, the Member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

- a. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that this password is an initial password.
NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".
 - (ii) Launch internet browser by typing the following URL: '<https://www.evoting.nsdl.com/>'
 - (iii) Click on Shareholder - Login
 - (iv) Put your User ID and Password. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Persistent Systems Limited"
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to Team-Cosec@legalogic.co.in with a copy marked to evoting@nsdl.co.in



- b. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- G. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of 'www.evoting.nSDL.com' or call on toll free no.: 1800-222-990.
- H. If Members are already registered with NSDL for remote e-voting then they can use their existing User ID and Password/PIN for casting the vote.
- NOTE: Members who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on 'www.evoting.nSDL.com'.
- In case Members are holding shares in demat mode, USER-ID is the combination of (DP ID+Client ID).
In case Members are holding shares in physical mode, USER-ID is the combination of (EVEN No+Folio No).
- I. Members can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- J. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Thursday, July 13, 2017, may obtain the login ID and password by sending a request at 'evoting@nsdl.co.in' or 'santosh.jaiswal@linkintime.co.in'.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and Password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password" option available on www.evoting.nSDL.com or contact NSDL at the following toll free no.: 1800-222-990.
- K. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- L. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper or venue e-voting.
- M. The Board of Directors has appointed M/s. SKO & Associates, Practicing Company Secretaries as the Scrutinizers to scrutinize the remote e-voting process, ballot process and venue e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the same purpose.
- N. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "venue e-voting" or "ballot paper" for all those members who are present at the AGM but have not casted their votes by availing the remote e-voting facility.
- O. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes casted at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, within two days of the conclusion of the AGM i.e. on or before Saturday, July 22, 2017, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to any of the Executive Directors in writing, who shall countersign the same and declare the result of the voting forthwith.
- P. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company (www.persistent.com) and on the website of NSDL at (www.evoting.nSDL.com) immediately after the declaration of result by any of the Executive Directors of the Company. The results shall also be immediately forwarded to the stock exchanges where the shares of the Company have been listed.
16. Members desiring any information as regards to financial statements are requested to write to the Company at an early date so as to enable the Management to keep the information ready.



17. The certificate from the Auditors of the Company certifying that the Company's Employees Stock Option Award - X, Persistent Employee Stock Option Scheme 2014 and Persistent Systems Limited Employee Stock Option Plan 2016 are being implemented in accordance with the SEBI (Share Based Employee Benefits), Regulations, 2014, and in accordance with the resolution of the Members passed at the general meetings will be available for inspection by the Members at the Annual General Meeting.
18. Members who wish to claim dividends, which remained unclaimed, are requested to correspond to the Company at 'investors@persistent.com' or 'companysecretary@persistent.com'. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund, maintained by the Government of India.
19. 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 Member to support this green 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 Members in electronic form, at the e-mail address provided by Members with their respective depositories. In case, Members desire to have a different e-mail address to be registered, they may please update the same with their respective Depository Participant. Registering e-mail address helps 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 its Annual Report and quarterly results on the Company's website.
20. 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 0084 / 2616 1629 / 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 Statements set out material facts relating to Item No. 5 and Item No. 6 of the accompanying Notice:

Item No. 5:

Mr. Thomas (Tom) Kendra (DIN: 07406678) was appointed as an Independent Director of the Company with effect from January 22, 2016 pursuant to the approval of the Members of the Company at the 26th Annual General Meeting held on July 22, 2016.

The Company has entered into an agreement with Mr. Kendra, through his business concern, M/s. Azure Associates LLC, USA for providing business consultation, coaching, advisory and mentoring services to the Company. Pursuant to the said agreement, the designation of Mr. Kendra has changed from 'Independent Director' to 'Non-Executive Non-Independent Director' with effect from April 1, 2017. The said agreement was ratified by the Board of Directors at its meeting held on April 24 and 25, 2017.

Brief Profile of Mr. Thomas (Tom) Kendra

Name of the Director	Mr. Thomas (Tom) Kendra
Father's Name	Mr. Joseph Kendra
Date of Birth / Age	May 22, 1954 / 63 years
Date of First Appointment in the Company	January 22, 2016
Expertise in specific General Functional area	IT Industry
Qualification	Bachelor of Arts in Business Administration from the Indiana University in Bloomington, Indiana, USA
Shareholding in the Company	Nil
No. of Board meetings attended during the financial year 2016-17	4 (Four)
Chairman / Member of the Committee of the Board of Directors of the Company	1. Nomination and Governance Committee 2. Compensation and Remuneration Committee
List of outside Directorships held	Nil
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he / she is a Director	Nil
Relationship with other Directors or Key Managerial Personnel of the Company	No

Except Mr. Kendra, none of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution, except to the extent of their shareholding in the Company.

The Board of Directors of your Company recommend the Resolution at Item No. 5 for the approval of the Members as an Ordinary Resolution.

Item No. 6:

For the past 27 years, the Company has been active on various financial arrangements for its operations in India and abroad. Recently, in an internal due diligence of the Company, it was observed that even though the activities of guarantee, financial commitment issued by the Company, letter of comfort or such arrangements are well-covered in the existing Objects Clause of the Memorandum of Association (MOA) of the Company, a specific word viz. Letter of Comfort, Guarantee or a similar nomenclature is not specifically mentioned.

Hence in view of the better corporate governance practices, the Company has decided to induct an additional sub-clause 12A in the MOA of the Company after existing sub-clause 12. This clause will specifically mention the nomenclature - Guarantee of performance of a contract or obligation of the Company, Letter of Comfort and Guarantee; and process to be carried out in case the Company wishes to carry out issuing a letter of comfort, guarantee or alike financial arrangements.

None of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution, except to the extent of their shareholding in the Company.

The Board of Directors of your Company is of the opinion that the above amendment in the Memorandum of Association of the Company would be beneficial to the Company from the point of view of governance, disclosure and transparency; and hence recommend the Resolution at Item No. 6 for the approval of the Members as a Special Resolution.

EXPLANATORY STATEMENTS (Pursuant to Section 102 of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Stock Based Employee Benefits) Regulations, 2014)

Item No. 7 and 8:

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives. Your Company believes that equity based compensation plans are an effective tool to reward the talents working with your Company and its subsidiary companies. With a view to motivate the key work force seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents, and to retain them for ensuring sustained growth, your Company intends to implement an employee stock option plan namely 'Persistent Systems Limited - Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan") seeking to cover eligible employees including Directors of the Company and its subsidiary companies.

ESOP 2017 shall be implemented through the employee welfare trust of the Company namely 'PSPL ESOP Management Trust' ("Trust"). ESOP 2017 envisages no fresh issue of equity shares. The requirement of shares shall be met mainly by acquisition of shares from the secondary market through the Trust and balance requirement shall be met out of Trust's existing shareholding. This would help avoid any equity shareholding dilution of the members. This is allowed by the Securities and Exchange Board of India (Stock Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") subject to compliances prescribed therein.

ESOP 2017 has been formulated in accordance with provision of SEBI SBEB Regulations. In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the SEBI SBEB Regulations, the Company seeks your approval as regards implementation of ESOP 2017 and grant of Options thereunder to the eligible employees of the Company and that of subsidiary company(ies) as decided from time to time as per provisions of ESOP 2017.

The main features of the Plan are as under:

a. Brief Description of the Plan:

Keeping view the aforesaid objectives, the Plan contemplates grant of Options to the eligible employees (including Directors) of the Company and its subsidiary companies. Upon vesting of Options, the eligible employees earn a right (but not obligation) to exercise the vested Options within the exercise period and obtain equity shares of the Company from the Trust subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Compensation and Remuneration Committee ("Committee") of the Company shall act as Compensation Committee for the administration of ESOP 2017. All questions of interpretation of the ESOP 2017 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in ESOP 2017.

b. Total number of Options to be granted:

The total number of Options to be granted under the Plan (together with Options that may be granted to employees of any subsidiary companies) shall not exceed 34,00,000 Options. Each Option when exercised would be converted into one equity share of ₹ 10 (INR Ten Only) each fully paid-up and shall be transferred by the Trust to the concerned employee. Out of aforesaid requirement, 30,00,000 shares are proposed to be acquired from secondary market through the Trust and balance requirement shall be met out of existing shareholding of the Trust.

The SEBI SBEB Regulations require that in case of any corporate action such as rights issue, bonus issue, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the Options granted. In this regard, the Committee shall adjust the number and exercise price of the Options granted in such a manner that the total value of the Options granted under ESOP 2017 remain the same after any such corporate action keeping the life of the Options intact. Accordingly, if any additional Options are issued by the Company or the Trust is required to transfer additional shares to the Option grantees for making such fair and reasonable adjustment, the aforesaid ceiling of Options / equity shares shall be deemed to be increased to the extent of such additional Options issued / shares transferred.



c. Identification of classes of employees entitled to participate in the Plan:

All the permanent employees (including a Director, whether whole-time or not) of the Company and its subsidiary companies in or outside India shall be eligible to participate in the Plan. Provided however that the following persons shall not be eligible to participate in ESOP 2017:

- an employee who is a “Promoter” or belongs to the “Promoter Group” as defined in the SEBI SBEB Regulations; or
- a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed Equity Shares of the Company; or
- Independent Directors.

d. Requirements of vesting and period of vesting:

All the Options granted on any date shall vest not earlier than minimum of 1 (One) year and not later than a maximum of 4 (Four) years from the date of grant of Options as may be determined by the Committee. The Committee may extend, shorten or otherwise vary the vesting period from time to time subject to these minimum and maximum ceiling.

The vesting dates and vesting percentages in respect of the Options granted under the Plan shall be determined by the Committee depending upon certain attributes of the employees including the tenure of employment and may vary from an employee to employee or any class thereof.

Options shall vest essentially based on continuation of employment/ service as per requirement of SEBI SBEB Regulations. Apart from that the Committee may prescribe achievement of any performance condition(s) for vesting.

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

All the Options granted on any date shall vest not later than a maximum of 4 (Four) years from the date of grant of Options as stated above.

f. Exercise price or pricing formula:

The exercise price per Option shall be equal to the value being at a discount of 15% (Fifteen Percent) from the Market Price at the time of grant. The term “Market Price” carries the same meaning as defined in the SEBI SBEB Regulations.

g. Exercise period and the process of Exercise:

In case of continuation of employment, the exercise period would commence from the date of vesting of Options and will expire on completion of 12 (Twelve) months from the date of vesting. In case of separation from employment, shorter exercise periods have been provided in the Plan. In case of separation due to misconduct / dis-regard of company policies, there is no exercise period defined as all the Options shall be cancelled.

The vested Option shall be exercisable by the Option grantees by a written application to the Company / Trust expressing his/her desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. Exercise of Options shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the Option grantee. The Options shall lapse if not exercised within the specified exercise period.

h. Appraisal process for determining the eligibility of employees under the Plan:

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company or subsidiary company as the case may be.

i. Maximum number of Options to be issued per employee and in aggregate:

A maximum of 200,000 Options that may be granted to any specific employee of the Company or that of its subsidiary company, in any financial year and in aggregate under the ESOP 2017.

j. Maximum quantum of benefits to be provided per employee under the Plan:

Apart from grant of Options as stated above, no monetary benefits are contemplated under the Plan.

k. Route of Plan implementation:

The Plan shall be implemented and administered through the Trust of the Company.

l. Source of acquisition of shares under the Plan:

The Plan contemplates use/ acquisition of shares from two sources- (i) up to 30 Lakh shares from secondary market and (ii) balance up to 4 Lakh shares from the existing shareholding of the Trust. The Plan does not contemplate any fresh issue of shares.

m. Amount of loan to be provided for implementation of the Plan(s) by the Company to the Trust, its tenure, utilization, repayment terms, etc.:

Amount of loan or provision of guarantee or security in connection with a loan to the Trust by the Company shall not exceed the amount being 5% (Five Percent) of the aggregate of the paid up share capital and free reserves of the Company as per audited accounts as on March 31, 2017. The Trust will purchase shares from the secondary market as per the Options grant schedule which is spread over a period of four years. The Trust will use its existing available funds for the purchase of shares and the balance amount as required will be lent by the Company to the Trust as per the grant schedule. The Trust will start repaying the loan as and when it receives money (i.e. exercise price) from the employees upon exercise of Options.

Any loan to be provided by the Company shall be at arm's length basis as to rate of interest subject to tenure of such loan being 8 (Eight) years from the date of each tranche of loan disbursement or term of ESOP 2017, whichever is earlier, subject further to a loan moratorium up to 5 (Five) years from the date of disbursement.

The Trust shall use the loan amount disbursed from time to time only for the purposes of the ESOP 2017 and strictly in accordance with provisions of SEBI SBEB Regulations.

n. Maximum percentage of secondary acquisition:

The Plan envisages acquisition of shares from secondary market up to a maximum of 3.75% of the paid-up equity share capital of the Company as on March 31, 2017.

o. Accounting and Disclosure Policies:

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

p. Method of option valuation:

The Company shall adopt 'Fair Value Method' for valuation of Options as prescribed under Guidance Note or under any Accounting Standard, as applicable, notified by appropriate authorities from time to time.

q. Declaration:

In case, the Company opts for expensing of share based employee benefits using the intrinsic value, 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 Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

Consent of the members is being sought by way of special resolutions 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.

A draft copy of the ESOP 2017 is available for inspection at the Company's Registered Office / Corporate Office during official hours on all working days till the date of the 27th Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolutions, except to the extent they may be lawfully granted Options under the Plan.

The Board of Directors of your Company recommend the Resolutions at Item No. 7 and 8 for the approval of the Members as Special Resolutions.



Item No. 9

The Company intends to implement 'Persistent Systems Limited - Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan") with a view to attract and retain key talents working with the Company and its subsidiary companies. ESOP 2017 contemplates acquisition of secondary shares through trust route i.e. through 'PSPL ESOP Management Trust' ("Trust") of the Company with a view to manage/ restore the equity shareholding dilution of the members. ESOP 2017 envisages acquisition and use of not more than 30 Lakh equity shares being 3.75% of the paid-up equity share capital of the Company as on March 31, 2017 which along with existing Trust shareholding acquired through secondary market shall be below the statutory ceiling prescribed under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations").

It shall be further ensured that acquisition of shares by the Trust in any financial year shall not exceed the ceilings prescribed in SEBI SBEB Regulations in this regard. Trust shall not deal in derivatives, and shall undertake only delivery based transactions for the purposes of secondary acquisition. The Trustees of the Trust shall ensure compliance of the all relevant provisions of the SEBI SBEB Regulations and Rules made under the Companies Act, 2013 at all times in connection with acquisition and dealing in the shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed.

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 resolutions, except to the extent they may be lawfully granted Options under the Plan.

The Board of Directors of your Company recommend the Resolution at Item No. 9 for the approval of the Members as a Special Resolution.

Item No. 10

The Company intends to implement 'Persistent Systems Limited - Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan") with a view to attract and retain key talents working with the Company and its subsidiary companies. Besides utilization up to 4 Lakh shares held by the 'PSPL ESOP Management Trust' ("Trust") of the Company, ESOP 2017 envisages acquisition of secondary shares through the Trust route not exceeding 30 Lakh equity shares. For this acquisition, the Trust would require a loan which is proposed to be disbursed over a period of time in one or more tranches.

The proposed amount of loan shall be such amount which shall not exceed 5% of the aggregate of paid-up share capital and free reserves as per audited accounts of the Company as on March 31, 2017 as prescribed under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") read with Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014 ("Companies Rules").

Particulars in respect of the Trust:

- a. The class of employees for whose benefit the Plan is being implemented and money is being provided for purchase of the shares:

All the permanent employees (including a Director, whether whole-time or not) of the Company and its subsidiary companies in or outside India are eligible subject to selection by the Compensation and Remuneration Committee for grant of Option under the Plan on the basis of eligibility criteria. Provided however that the following persons shall not be eligible:

- an employee who is a "Promoter" or belongs to the "Promoter Group" as defined in the SEBI SBEB Regulations; or
- a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed Equity Shares of the Company; or
- Independent Directors.

- b. The particulars of the Trustee or employees in whose favour such shares are to be registered:

It is contemplated that one or more of the designated Trustees shall acquire and hold the shares in due compliance of the relevant provisions of SEBI SBEB Regulations and other applicable provisions. The Trustees shall transfer the Shares in favour of the employees upon exercise of the Options after realisation of exercise price and applicable income tax from the concerned employee.

- c. The particulars of Trust and name, address, occupation and nationality of Trustees and their relationship with the promoters, directors or key managerial personnel, if any:

The name of the Trust is 'PSPL ESOP Management Trust'. It is in the nature of employee welfare trust and was set-up by the Company on December 21, 1999 for the smooth and effective administration of equity based compensation plans implemented from time to time including ESOP 2017. It has its principal office at Bhageerath, 402 Senapati Bapat Road, Pune 411 016, Maharashtra.

Particulars of the Trustees:

S. No.	Name	Address	Occupation	Nationality
1	Mr. Nitin S. Kulkarni	B6, Ichhamani Homes, S. No. 134, Mayur Colony, Pune 411 029	Company Executive	Indian
2	Mr. Sameer Bendre	5, Saraswati Layout, Deen Dayal Nagar, Nagpur 440 022	Company Executive	Indian
3	Mr. Mukesh Agarwal	203, Prerana, 46 Aundh Road, Khadki, Pune 411 020	Company Executive	Indian
4	Mr. Vikas Sawant	Flat No. 1, G-Wing, Shree Residency, Ph-II, Ganesh Nagar, Pune 411 012	Company Executive	Indian

The aforesaid Trustees of Trust are neither promoters, directors nor key managerial personnel of the Company nor are they related to any of the promoters, directors or key managerial personnel in their personal capacity.

- d. Any interest of key managerial personnel, directors or promoters in such Plan or Trust and effect thereof:
 Promoters are not eligible to be covered under the Plan. However, key managerial personnel, directors may be covered under the Plan as provided in the Plan in due compliance with the SEBI SBEB Regulations and other relevant rules and regulations.
 Any of the key managerial personnel, director or promoter does not relate to the Trust.
- e. The detailed particulars of benefits which will accrue to the employees from the implementation of the Plan:
 The eligible employees shall be granted Options under the Plan which would vest subject to vesting conditions (essentially retention) prescribed by the Compensation and Remuneration Committee. After vesting and on exercise of the Options, the Trust/ Trustees shall transfer corresponding number of equity shares to the employees. The employees may like to sell the shares immediately after exercise or may hold and sell after a definite period of time at his/ her discretion subject to compliance of SEBI Prohibition of Insider Trading Regulations and Company's Code of Conduct on Prohibition of Insider Trading. The employees would get the benefit on sale of shares depending on amount of sale price of such Shares.
- f. The details about who would exercise and how the voting rights in respect of the shares to be purchased under the Plan would be exercised:
 As per SEBI SBEB Regulations, the Trustees shall not vote in respect of shares held in the Trust. In these circumstances, the voting rights can be exercised by an employee only when the shares are transferred to them after due process of exercise of Options and they become the shareholders in respect of shares under reference.
 Consent of the members is being sought by way of a special resolution pursuant to Regulation 3 of the SEBI SBEB Regulations read with Rule 16 of the Companies Rules.
 None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolutions, except to the extent they may be lawfully granted Options under the Plan.
 The Board of Directors of your Company recommend the Resolution at Item No. 10 for the approval of the Members as a Special Resolution.

**Disclosure relating to a Director retiring by rotation pursuant to the Regulation 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meeting:**

Name of the Director	Dr. Anand Suresh Deshpande
Date of Birth / Age	May 7, 1962 / 55 years
Date of First Appointment	October 19, 1990
Expertise in specific General Functional area	Computer Science and Management
Qualification	1. B.Tech. (Hons.) (Computer Science and Engineering) 2. M.S. (Computer Science) 3. Ph.D. (Computer Science)
Shareholding in the Company ^{®*}	22,926,340 Shares (28.66%)
No. of Board meetings attended during the financial year 2016-17	6 (Six)
Chairman / Member of the Committee of the Board of Directors of the Company [®]	1. Stakeholders Relationship Committee 2. Corporate Social Responsibility (CSR) Committee
List of outside Directorships held [®]	1. Persistent Systems Inc., USA 2. Persistent Systems France S.A.S., France 3. Persistent Systems Pte. Ltd., Singapore 4. Persistent Systems Malaysia Sdn. Bhd., Malaysia 5. Akshat Corporation (dba RGen Solutions), USA 6. Persistent Telecom Solutions Inc., USA 7. Inter Institutional Inclusive Innovations Center, India 8. deAsra Foundation, India - Trustee 9. Deazzle Services Private Limited, India 10. Rama - Purushottam Foundation, India 11. Persistent Foundation, India - Founder Trustee 12. Indraprastha Institute of Information Technology (IIIT), New Delhi, India - Advisory Board Member 13. Unique Identification Authority of India (UIDAI) Government of India, Ministry of Electronics and Information Technology, New Delhi, India - Part-time Member 14. Indian Institute of Technology (IIT) Foundation, Kharagpur, India - Member
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he/she is a Director [®]	Nil
Relationship with other Directors or Key Managerial Personnel of the Company [®]	No

[®] As on May 30, 2017

* Jointly held with the spouse

Persistent Systems Limited

CIN: L72300PN1990PLC056696

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



PERSISTENT

Form No. MGT - 11

PROXY FORM

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

TWENTY-SEVENTH ANNUAL GENERAL MEETING 2016-17

Name of the Member(s):

Registered Address:

E-mail ID:

Folio No. / DP ID and Client 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 and on my/our behalf at the 27th Annual General Meeting of the Company scheduled to be held on Thursday, July 20, 2017 at 1100 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 resolutions as are indicated below:

Item No. of Notice	Summary of Businesses to be transacted at the 27 th Annual General Meeting
	Ordinary Businesses
1.	To receive, consider and adopt: a. Audited Financial Statements, Reports of the Board of Directors and Auditors thereon, and b. Audited Consolidated Financial Statements
2.	To confirm the payment of the Interim Dividend of ₹ 6 per share and to declare a Final Dividend of ₹ 3 per share for the financial year 2016-17
3.	To appoint a director in place of Dr. Anand Deshpande, Chairman and Managing Director, who retires by rotation and has confirmed his eligibility and willingness to accept office, if re-appointed.
4.	To ratify the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as the Statutory Auditors of the Company to hold office upto the conclusion of the 29 th Annual General Meeting to be held in the calendar year 2019

Item No. of Notice	Summary of Businesses to be transacted at the 27 th Annual General Meeting
Special Businesses	
5.	To note and approve the change in designation of Mr. Thomas (Tom) Kendra (DIN: 07406678) from 'Independent Director' to 'Non-Executive Non-Independent Director' of the Company
6.	To consider and approve amendment to the Memorandum of Association of the Company
7.	To approve grant of employee stock options to the employees of subsidiary companies of the Company under Persistent Systems Limited - Employee Stock Option Plan 2017
8.	To approve grant of employee stock options to the employees of subsidiary companies of the Company under Persistent Systems Limited - Employee Stock Option Plan 2017
9.	To approve acquisition of shares from secondary market through Trust route for the implementation of Persistent Systems Limited - Employee Stock Option Plan 2017
10.	To make a provision of money by the Company for purchase of its own shares by the Trust for the benefit of employees under Persistent Systems Limited - Employee Stock Option Plan 2017

Signed thisday of....., 2017

Folio No. / DP ID and Client ID

Signature of Member.....

Signature of Proxy holder.....

<p style="text-align: center;">Affix Revenue Stamp of 15 Paise</p>
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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.

Persistent Systems Limited
 CIN: L72300PN1990PLC056696
 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



PERSISTENT

ATTENDANCE SLIP

Sr. No.:

Registered Folio No. / DP ID & Client ID		
Name and address of the Member(s)		
Joint Holder 1 Joint Holder 2		
No. of Shares		
<p>I / We record my / our presence at the 'TWENTY-SEVENTH ANNUAL GENERAL MEETING' of the Company to be held on Thursday, July 20, 2017, at 11.00 Hrs. (India Time) at Persistent Systems Limited, Dewang Mehta Auditorium, Bhageerath, 402 Senapati Bapat Road, Pune 411 016, India.</p>		
<p>_____</p> <p>Member's / Proxy's name in Block Letters</p>		<p>_____</p> <p>Member's / Proxy's Signature</p>
<p>Note: Please fill in the name and sign this Attendance Slip and deposit the same with the Company Officials at the venue of the Meeting.</p>		
ELECTRONIC VOTING PARTICULARS		
EVEN (Electronic Voting Event Number)	User ID	Password
<p>Note:</p> <ol style="list-style-type: none"> Please read the instructions printed under the Notes to the Notice of the 27th Annual General Meeting to be held on Thursday, July 20, 2017 at 11.00 hours. The remote e-Voting period starts from 12.01 a.m. on Monday, July 17, 2017 and ends on Wednesday, July 19, 2017 at 5.00 p.m. The voting module shall be disabled by National Securities Depository Limited (NSDL) for voting thereafter. 		