

Persistent Systems Limited

(CIN : L72300PN1990PLC056696)

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PERSISTENT

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013, read with Rule 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 Rule 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 increase in the aggregate investment limit by FIIs / RFPs in the paid up share capital of the Company as per Resolution No. 1 below.

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

Resolution No. 1

Increase in the aggregate Investment limit by FIIs / RFPs in the paid up share capital of the Company

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

"RESOLVED THAT in accordance with the provisions of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, Circulars, Press Notes and Policies issued by the Department of Policy and Promotion, the Reserve Bank of India and all other applicable Rules, Regulations, Guidelines and laws (including any statutory modification or re-enactment thereof for the time being in force) and subject to all requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions, which may be agreed to by the Board of Directors of the Company at their sole discretion (hereinafter referred to as the "Board of Directors" which term shall be deemed to include any Committees thereof), the consent of the Company be and is hereby accorded for raising the ceiling of 24% of the paid up Equity Share Capital of the Company for investment in Equity Shares of the Company by the Foreign Institutional Investors (FIIs) / Registered Foreign Portfolios Investors (RFPs) under the Portfolio Investment Scheme under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, upto not exceeding 49% of the paid up Equity Share Capital of the Company or such other limit as may be prescribed from time to time by the Central Government and / or Reserve Bank of India or any other related authority.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper and expedient for the purpose of giving effect to this resolution and for the matters connected therein or incidental thereto."

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

Amit Atre
Company Secretary
ACS – 20507

Place : Pune

Date : August 2, 2014

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, giving reasons for the proposed Special Resolution stating out material facts is annexed hereto.
2. 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 resolution contained in Postal Ballot Notice dated August 2, 2014, is being determined through postal ballot.

3. In compliance with Clause 35B of the Listing Agreement and provisions of Section 110 of the Companies Act, 2013 read with Rule 20 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 the 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 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, he/she may write to the Company or send an e-mail to 'investors@persistent.co.in'. 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 name appears in the Register of Members / Record of Depositories at the close on August 1, 2014. Accordingly, the reckoning of voting rights shall be based on the beneficiary position at the close of August 1, 2014.
7. The Postal Ballot Notice is also being published in Business Standard and Loksatta publication and the same has been uploaded on the websites viz. 'www.persistent.com' and 'www.evotingindia.com'
8. 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, August 1, 2014.
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, Practising 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 Company not later than 6.00 p.m. on Monday, September 15, 2014. If the Forms are received thereafter, they shall not be considered by the Scrutinizer. No other form or photocopy of the Form will be permitted/ accepted.
11. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny.
12. The Board of Directors has appointed Mr. Rohit Kamat, 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, or Mr. Mritunjay Kumar Singh, Executive Director and Chief Operating Officer, or Mr. Rohit Kamat, 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 Thursday, September 18, 2014 at 3:00 p.m. 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 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'
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 Monday, September 15, 2014.
15. **The instructions for members for voting electronically are as under:-**
 - (i) The voting period begins on Saturday, August 16, 2014 at 9.00 a.m. and ends on Monday, September 15, 2014 at 6.00 p.m. 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, August 1, 2014, 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
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to 'www.evotingindia.com' and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to 'www.evotingindia.com' and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 'helpdesk.evoting@cdslindia.com'.
- After receiving the login details they have to create 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 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 OF THE COMPANIES ACT, 2013.

In terms of the Portfolio Investment Scheme (PIS) under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 ("Regulations"), the total shareholding of all Foreign Institutional Investors ("FIIs") / Registered Foreign Portfolios Investors (RFPs) put together should not exceed 24% of the paid up share capital of the company.

In terms of the Regulations, the aggregate limit of investment of 24% by all FIIs / RFPs put together can be increased upto the sectoral cap / statutory limit as applicable to the Indian companies, after obtaining approval of the Board of Directors and thereafter approval of members of the company by way of a Special Resolution. The Company being in the Information Technology sector, foreign investment is allowed upto 100%.

The above investment limit of 24% was exceeded due to investment by FIIs in trading week ended May 2, 2014.

The Board of Directors of the Company at its meeting held on Saturday, August 2, 2014, subject to the approval of Members by way of a Special Resolution, has accorded its consent to enhance the said aggregate investment limit for FIIs / RFPs under PIS from 24% (Twenty Four percent) up to not exceeding 49% (Forty Nine percent) of the paid up Equity Share Capital of the Company.

The resolution set out in the accompanying notice if passed with requisite majority by Members, will enable the FIIs / RFPs to acquire shares of the Company through authorised dealers within the revised ceiling under the PIS.

Your approval is sought by voting through postal ballot or e-voting process, as the case may be, in terms of the provisions of Section 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014.

Your Directors recommend the resolution for your approval. None of the Directors, Key Managerial Personnel and relatives thereof is, in any way, concerned or interested in the said resolution.

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

Amit Atre
Company Secretary
ACS – 20507

Place : Pune
Date : August 2, 2014