NSE & BSE / 2010-11 / 29

July 20, 2010

The Manager,
Corporate Services,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai 400051

Ref: Symbol: PERSISTENT

The Manager,
Corporate Services,
Bombay Stock Exchange Limited
14th Floor, P J Towers, Dalal Street,
Mumbai 400001

Ref: Scrip Code: 533179

Dear Sirs,

Sub: Proceedings of the Annual General Meeting of the Company held on July 20, 2010

Pursuant to Clause 31 of the Listing Agreement, please find below proceedings of the Annual General Meeting of the Company held on July 20, 2010 at 16.00 hrs (India date and time) at Dewang Mehta Auditorium, 'Bhageerath', 402 Senapati Bapat Road, Pune 411016, Maharashtra, India.

The resolutions for the following items were passed unanimously by the members at the said Annual General Meeting in terms of Notice of Annual General Meeting dated June 10, 2010 (attached as Annexure 1):

a. Adoption of the Balance Sheet as at March 31, 2010 and the Profit and Loss Account for the year ended on that date and the report of the Board of Directors and the Auditors thereon.

b. Declaration of final dividend of Re. 0.50 per share for the financial year ended March 31, 2010.

c. Re-appointment of Mr. S. P. Deshpande, retiring by rotation and who had confirmed his eligibility and willingness to accept office, as a Director of the Company.

d. Re-appointment of Dr. Promod Haque, retiring by rotation and who had confirmed his eligibility and willingness to accept office, as a Director of the Company.

e. Appointment of M/s. Joshi Apte & Co., Chartered Accountants and M/s. S. R. Batliboi & Co., Chartered Accountants as the joint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and authorized the Board of Directors to fix their remuneration.

f. Create, offer, issue, transfer and allot at any time to or for the benefit of such person(s) who are in permanent employment of the Company, including Directors of the Company, whether part time or full time, whether working in India or out of India, except to Promoters or members of the Promoter

Group, under a Scheme titled "Employee Stock Option Award –X" (hereinafter referred to as the "ESOA - X"), such number of Stock Options which could give rise to the transfer of Equity Shares not exceeding 910,000 (Nine Lakhs Ten Thousand only) Equity Shares from PSPL ESOP Management Trust at such price, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board of Directors in accordance with the ESOA – X, Guidelines or other provisions of the law as may be prevailing at that time.

g. Extend the benefits of Employees Stock Option Award – X ("ESOA – X") to the eligible employees / directors of the subsidiary companies, except to Promoters or members of the Promoter Group, as may from time to time be allowed under prevailing laws, rules and regulations, and/ or amendments thereto from time to time, on such terms and conditions as may be decided by the Board of Directors.

Please acknowledge the receipt.

Thanking you.

Yours faithfully,
For **Persistent Systems Limited**

PERSISTENT SYSTEMS LTD. 30242000 PUNE

Vivek Sadhale
Company Secretary and Head

Encl: As above

PERSISTENT

Dear Member,

You are cordially invited to attend the Twentieth Annual General Meeting of the members to be held on Tuesday, July 20, 2010 at 16:00 hrs (India date and time) at Dewang Mehta Auditorium, 'Bhageerath', 402, Senapati Bapat Road, Pune 411 016, Maharashtra, India.

Physically challenged members who require assistance at the venue of the Annual General Meeting are requested to contact

Capt. Kedar Paranjpye
Persistent Systems Limited
"Bhageerath", 402, Senapati Bapat Road,
Pune 411 016
Tel : +91 (20) 3023 4200

Or write to investors@persistent.co.in

Sincerely,
for Persistent Systems Limited

Dr. Anand Deshpande
Chairman and Managing Director

Pune, June 10, 2010

Notice

NOTICE is hereby given that the TWENTIETH Annual General Meeting of the Members of Persistent Systems Limited will be held on Tuesday, July 20, 2010 at 16:00 Hrs. (India Time) at "Dewang Mehta Auditorium", "Bhageerath", 402, Senapati Bapat Road, Pune 411 016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2010, and the Profit and Loss Account for the year ended on that date and the report of the Board of Directors and the Auditors thereon.

2. To declare a final dividend for the financial year ended March 31, 2010.

3. To appoint a Director in place of Mr. S. P. Deshpande, who retires by rotation and has confirmed his eligibility and willingness to accept office, if reappointed.

4. To appoint a Director in place of Dr. Promod Haque, who retires by rotation and has confirmed his eligibility and willingness to accept office, if reappointed.

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   RESOLVED THAT M/s. Joshi Apte & Co., Chartered Accountants and M/s. S. R. Batliboi & Co., Chartered Accountants be and are hereby appointed as the joint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be authorised to fix their remuneration for the said period.

SPECIAL BUSINESS:

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

   RESOLVED THAT in accordance with the provisions contained in the Articles of Association of the Company and all other applicable provisions of the Companies Act, 1956 ("the Act") and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board of Directors" which term shall be deemed to include any Committees thereof), consent of the Company be and is hereby accorded to the Board of Directors to create, offer, issue, transfer and allot at any time to or for the benefit of such person(s) who are in permanent employment of the Company, including Directors of the Company, whether part time or full time, whether working in India or out of India, except to Promoters or members of the Promoter Group, under a Scheme titled "Employee Stock Option Award –X" (hereinafter referred to as the "ESOA - X"), such number of Stock Options which could give rise to the transfer of Equity Shares not exceeding 910,000 (Nine Lakh Ten Thousand only) Equity Shares from PSPL ESOP Management Trust at such price, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board of Directors in accordance with the ESOA – X, Guidelines or other provisions of the law as may be prevailing at that time.

   RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded for providing any financial assistance to the Employees including the Directors of the Company, to acquire, purchase or subscribe to the Shares of the Company on exercise of vested Stock Options in accordance with ESOA -X.

   RESOLVED FURTHER THAT the limits for the maximum number of Stock Options that can be granted to each of the Non-Executive directors, including Independent Directors shall not exceed 10,000 (Ten Thousand only) Stock Options in a financial year and 25,000 (Twenty Five Thousand only) Stock Options in aggregate.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized on behalf of the Company to evolve, decide upon, interpret, administer, supervise and bring in to effect the Scheme and make any modifications,

changes, variations, alterations or revisions ("Variation(s)") in the said Scheme from time to time or make Variations to the terms of the Stock Options granted/vested pursuant to the Scheme but are not exercised by the employee including re-pricing the Stock Options not yet exercised, provided that such Variations are not detrimental to the interests of the employees and to suspend, withdraw or revive the scheme from time to time as may be specified by any statutory authority, in each case without requiring the Board of Directors to secure any further consent or approval of the members of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard or for the purpose of giving effect to the aforesaid resolution without requiring the Board of Directors to secure any further consent or approval of the members of the Company.

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

RESOLVED THAT in accordance with the provisions contained in the Articles of Association of the Company and all other applicable provisions of the Companies Act, 1956 ("the Act") and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board of Directors" which term shall be deemed to include any Committees thereof), consent of the Company be and is hereby accorded to the Board of Directors to extend the benefits of Employees Stock Option Award – X ("ESOA – X") proposed in the resolution under Item 6 in this notice, to the eligible employees / directors of the subsidiary companies, except to Promoters or members of the Promoter Group, as may from time to time be allowed under prevailing laws, rules and regulations, and/ or amendments thereto from time to time, on such terms and conditions as may be decided by the Board of Directors.

RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded for providing any financial assistance to the employees including the directors of the subsidiary companies, to acquire, purchase or subscribe to the Shares of the Company on exercise of vested Stock Options in accordance with ESOA -X.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized on behalf of the Company to evolve, decide upon, interpret, administer, supervise and bring in to effect the Scheme and make any modifications, changes, variations, alterations or revisions ("Variation(s)") in the said Scheme from time to time or make Variations to the terms of the Stock Options granted/vested pursuant to the Scheme but are not exercised by the employee including re-pricing the Stock Options not yet exercised, provided that such Variations are not detrimental to the interests of the employees and to suspend, withdraw or revive the scheme from time to time as may be specified by any statutory authority, in each case without requiring the Board of Directors to secure any further consent or approval of the members of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard or for the purpose of giving effect to the aforesaid resolution without requiring the Board of Directors to secure any further consent or approval of the members of the Company.

By the order of the Board of Directors

Vivek Sadhale
Company Secretary and Head - Legal

Pune, June 10, 2010

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY, IN ORDER TO BE EFFECTIVE MUST BE DULY FILLED, STAMPED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The Explanatory Statement required under Section 173(2) of the Companies Act, 1956 in respect of the business mentioned at Items No. (6) to (7) (both inclusive) is being annexed herewith.

3. The record date for the purpose of payment of dividend will be July 19, 2010.

4. Subject to the provisions of Section 206A of the Companies Act, 1956, dividend as recommended by the Board of Directors, if declared at the meeting, will be payable on or after July 20, 2010, to those members whose name appears on the register of members as on July 19, 2010.

5. As a measure of austerity, copies of annual report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of the annual report at the meeting.

6. Members / Proxies are requested to bring duly filled attendance slips to be deposited with the Company officials at the venue of the meeting.

7. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the Annual General Meeting.

8. Members desiring information as regards to accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

9. Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.

10. Details of Directors seeking re-appointment as director in this Annual General Meeting are attached separately to this Notice.

11. For payment of dividend (if any) through Electronic Clearing Service (ECS), the members holding shares in dematerialized form are required to immediately update bank details and change of address, if any, to the respective Depository Participants (DP).

12. Bank account details registered against members' respective depository accounts will be used by the Company for making payment of the dividend.

13. Members having share certificates in physical mode are requested to immediately update bank details and change of address, if any, to the Company's Registrar and Share Transfer Agent enabling the Company to dispatch the dividend warrants at their correct address.

14. Copies of all documents referred to in the notice are available for inspection at the Registered Office of the Company between 2 p.m. to 4 p.m. IST on all working days till the date of the Annual General Meeting.

15. 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)
    Block No. 202, Second Floor,
    Akshay Complex, Off Dhole Patil Road,
    Pune 411 001
    Tel. : +91 (20) 2605 1629
    Fax : +91 (20) 2605 3503
    E-mail : pune@linkintime.co.in
    Website : www.linkintime.co.in

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Explanatory Statement (Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 6 and 7

The Company has always believed in rewarding its employees for their long term association, continuous hard work, dedication and support which has led the Company on a growth path.

The Company had existing Employees Stock Options Plan titled as ESOP- I, ESOA – II, ESOP – III, ESOA – IV, ESOP – V, ESOA – VI, ESOA – VII, ESOA – VIII and ESOA – IX under which Stock Options were granted prior to listing of the shares of the Company on the Stock Exchanges in India. No further grants are proposed to be made by the Company under these existing Employee Stock Options Plans.

The Board of Directors therefore proposed to evolve an Employee Stock Option Award - X ("ESOA – X" or "Scheme") for the benefits of all permanent employees of the Company and its subsidiary companies, and Directors (including Whole-time Director and Non-Executive Director) of the Company and its subsidiaries.

Disclosures as per Regulation 6.2 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended:

Sr. No.	Features	Information
1.	Total number of Options / Shares / Securities that could be issued under the Scheme.	Maximum number of Equity Shares which will be subject to Stock Options, if vested and exercised will be 910,000 (Nine Lakh Ten Thousand only). The Stock Options will be adjusted for any bonus, stock splits, consolidations or other reorganization of the capital structure of the Company.
2.	Identification of classes of employees entitled to participate in ESOA – X	All permanent employees of the Company and its subsidiary companies, and Directors (including Whole-time Director and Non-Executive Director) of the Company and its subsidiaries are entitled to participate in the ESOA - X. As per the SEBI ESOP Guidelines, employees and directors who are promoters or belong to promoter group are not eligible to participate in the Scheme. Identification of employees / directors and grant of Stock Options to them will be as decided by the Board of Directors or its Committee.
3.	Vesting, requirement of Vesting and maximum period of vesting	The vesting period shall not be less than one year from the date of grant of Stock Options. The Board of Directors or its Committee shall have discretion to choose the vesting plans in terms of the ESOA-X at the time of grant of Stock Options. The Stock Options would vest in an employee only if he continues to be in the employment with the Company or its subsidiaries. In addition to this, the Board / Committee may specify performance criteria / conditions to be met subject to which Stock Options would vest in the employee. The Stock Options would vest in a Director only if he / she continue to remain a Director on the Date of Vesting of the Stock Options. The Stock Options may vest in tranches subject to the terms and conditions stipulated by the Board of Directors or its Committee.
4.	Exercise Price or Pricing formula	The Stock Options would be granted at the market price or such price including discount not exceeding 10% on the market price on the date of grant, as the Board / Committee may determine in accordance with the regulations and guidelines prescribed by the Securities and Exchange Board of India or other appropriate authority, from time to time.

Sr. No.	Features	Information
5.	Exercise Period and the Process of Exercise	The exercise period will commence from the date of vesting and will expire not later than three years from the Date of Vesting or such period as may be decided by the Board of Directors or its Committee, from time to time. The Stock Options will lapse if not exercised within the exercise period. The Stock Options will be exercisable by the employees on a written application to the Company to exercise the Stock Options, in such manner, and on such terms and conditions and on execution of such documents, as decided by the Board or its Committee from time to time.
6.	Appraisal process for determining the eligibility of the employees for ESOP	The appraisal process for determining the eligibility of the employees will be in accordance with the ESOA – X or as may be determined by the Board of Directors or its Committee.
7.	Maximum number of options / shares / securities to be issued per employee and in the aggregate	The maximum number of Stock Options granted to any employee including Directors of the Company in any one year will not exceed 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company.
8.	Disclosure and Accounting policies, method of valuation	The Company will comply with the disclosure and accounting policies mentioned in the Schedule I of the SEBI ESOP Guidelines, as amended from time to time. The Company shall use 'Intrinsic Value' method to value the Stock Options and to calculate employee compensation cost. In case the Company calculates the employee compensation cost using the intrinsic value of the Stock Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used fair value of the Stock Options shall be disclosed in the Directors' Report and also the impact of this difference on profits and Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

ESOA - X will be administered through PSPL ESOP Management Trust of the Company. On exercise of vested Stock Options by the employees / directors, subject to the terms of the ESOA - X, the Board of Directors or its Committee will approve transfer of Equity Shares from PSPL ESOP Management Trust to the employees / directors.

Clause 6 of the SEBI ESOP Guidelines requires that any ESOP Scheme for offering Stock Options to the employees must be approved by the members by way of a special resolution. Accordingly, the resolution set as Item No. 6 is being placed for the approval of the members pursuant to the provisions of the Companies Act, 1956 and Clause 6 of the SEBI ESOP Guidelines and all other applicable provisions of law for the time being in force.

As per the SEBI ESOP Guidelines, a separate resolution is required to be passed if the benefits of ESOP are to be exercised by the employees of the subsidiary companies. Accordingly, the resolution set as Item No. 7 is being placed for the approval of the members.

The Board recommends the resolution as set out in item no. 6 and 7 of the Notice for your approval.

All of the Directors, except Dr. Anand Deshpande and Mr. S. P. Deshpande, Promoter Directors of the Company, may be deemed to be interested in the resolution to the extent of benefit they may derive under the ESOA - X.

Details of the Directors seeking re-appointment at this Annual General Meeting

Mr. Suresh Purushottam Deshpande

Mr. Suresh Deshpande is a Founder and Non-Executive Director of the Company. He was Executive Director of the Company till October 31, 2009 since the incorporation of the Company except for the period from April 1991 to October 1991.

Mr. Suresh Deshpande earned a Bachelor's Degree in Electrical Engineering from Jabalpur Engineering College, India in 1958. He joined Bharat Heavy Electricals Limited (BHEL), Bhopal, India, as a graduate apprentice in 1958. He worked with BHEL for 23 years. During that period, he worked in a number of product and service departments, specializing in transportation systems and electronic control systems, as applicable to transportation, in particular.

He worked with Kirloskar Pneumatic Company Limited for a period of eight and half years. He held important positions in materials division, quality analysis, manufacturing services and research and development. He joined as associate vice president in March 1982 and retired from Kirloskar Pneumatic Company Limited as vice president in October 1990. Mr. Deshpande founded the Software Exporters' Association of Pune in 1998 to foster better interaction among software export units in Pune and help them resolve their problems in operations.

As an Executive Director of the Company, he headed the administrative functions of our Company which include general administrations, human resource, accounts, finance, corporate secretarial, legal and facilities functions. He retired from the day to day administration of the Company effective from November 1, 2009 (end of working hours of October 31, 2009) and currently is on the Board of Directors of the Company as a Non-Executive Director.

Details of Mr. Suresh Deshpande, Director, seeking re-appointment

Sr. No. in the Notice	Particulars	Description
3.		
A	Father's Name	Late Purushottam Govind Deshpande
B	Date of Birth	October 31, 1936
C	Date of Appointment	October 30, 1991
D	Expertise in specific functional areas	Administrative functions which include general administrations, human resource, accounts, finance, corporate secretarial, legal and facilities functions
E	Qualifications	B.E (Electrical Engineering)
F	List of outside directorships held	NIL
G	Member of the Committees of the Board of the Company	i. Audit Committee ii. Executive Committee iii. Shareholders' / Investors' Grievance Committee
H	Member of the Committees in other companies in India	NIL*
I	Shareholding in the Company as on June 4, 2010	Shares – 38,04,000 Equity Shares of Rs. 10 each

* Disclosure of the membership in other companies in India includes Chairmanship / Membership of Audit Committee and Shareholders' / Investors' Grievance Committee in all Indian Public Companies excluding Persistent Systems Limited.

Dr. Promod Alexander Haque

Dr. Promod Haque is a Director of the Company since November 18, 2005.

Dr. Haque earned a Bachelor's degree in Science in Electrical Engineering from the University of Delhi, India in 1969. He earned a Doctorate in Electrical Engineering from Northwestern University in 1974 and a Master's degree in Business and Administration from Northwestern's Kellogg Graduate School of Management in 1976, where he serves on the advisory board.

Dr. Haque has more than 19 years of experience in the venture capital industry and currently serves as Managing Partner at Norwest Venture Partners, which he joined in 1990. Dr. Haque spent 18 years in various operational roles before joining Norwest Venture Partners, ranging from product development, marketing, and as chief operating officer and chief executive officer at various companies which included EMI Medical, Inc., from 1976 to 1981, Emergent Corporation as chief operating officer from 1981 to 1983 and Dimensional Medicine, Inc., as chief executive officer from 1983 to 1988.

He has been ranked as a top dealmaker on the annual Forbes Midas List from 2002 to 2007 and, in 2004, Forbes named him as the number one venture capitalist, based on performance over the last decade. In 2006, he was presented with a Global Leadership award from the National Association of Software and Services Companies.

Further, Dr. Haque is on the Board of Directors of many Indian as well as Foreign Companies.

Details of Dr. Promod Haque, Director, seeking re-appointment

Sr. No. in the Notice	Particulars	Description
4.		
A	Father's Name	Late Mr. Alexander Haque
B	Date of Birth	April 20, 1948
C	Date of Appointment	November 18, 2005
D	Expertise in specific functional areas	Venture capital industry
E	Qualifications	B. Sc. (Electrical Engineering), Doctorate (Electrical Engineering), MBA
F	List of outside directorships held	i. Sulekha.com New Media Private Limited
		ii. Yatra Online Private Limited
		iii. Lumium Innovations Private Limited
		iv. AppNomic Systems Private Limited
		v. FireEye, Inc.
		vi. Sonoa Systems, Inc.
		vii. Veraz Networks, Inc.
		viii. Veveo, Inc.
		ix. Virtela Communications, Inc.
		x. Cyan Optics, Inc.
G	Member of the Committees of the Board of the Company	i. Executive Committee
H	Member of the Committees in other companies in India	NIL*
I	Shareholding in the Company as on June 4, 2010	Dr. Promod Haque does not hold any shares in the Company.

* Disclosure of the membership in other companies in India includes Chairmanship / Membership of Audit Committee and Shareholders' / Investors' Grievance Committee in all Indian Public Companies excluding Persistent Systems Limited.