

Voluntary Secretarial Compliance Certificate



To,
The Members,
Persistent Systems Pvt. Ltd.
'Bhageerath', 402, Senapati Bapat Road,
Pune 411 016

I have examined the registers, records, books and papers of Persistent Systems Pvt. Ltd. (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31, 2006. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded;
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies and Regional Director, within the time prescribed under the Act and the rules made there under;
3. The Company being private limited company has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was 17 (Seventeen) excluding its present and past employees and 23 (Twenty Three) including its present and past employees and the Company during the year under scrutiny:
 - A. has not invited public to subscribe for its shares or debentures, and
 - B. has not invited or accepted any deposits from person other than its members, directors or their relatives;
4. The Board of Directors duly met 4 (Four) times on April 16, 2005, July 22, 2005, October 21, 2005 and February 11, 2006 in respect of which meetings, proper notices were given and proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose;
5. The Audit Committee of the Board of Directors duly met 4 (Four) times on April 15, 2005, July 20, 2005, October 20, 2005 and January 18, 2006 in respect of which meetings, proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose;
6. The Executive Committee of the Board of Directors duly met 8 (Eight) times on April 14, 2005, May 17, 2005, June 10, 2005, July 21, 2005, August 31, 2005, November 11, 2005, December 21, 2005 and March 24, 2006 in respect of which meetings, proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose;
7. The Compensation Committee of the Board of Directors duly met 5 (Five) times on June 27, 2005, September 30, 2005, November 18, 2005 (1), November 18, 2005 (2) and March 24, 2006 in respect of which meeting proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose;
8. The annual general meeting for the financial year ended on March 31, 2005 was held on June 10, 2005 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose;

9. Two extra ordinary meetings were held on November 18, 2005 during the financial year under report after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose;
10. The Company has not advanced any amount as loan to its directors and/or persons or firms or companies referred in the section 295 of the Act.
11. The Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section. The Company has taken due permission from Central Government through Regional Director, Mumbai for the Agreement entered into with one of the related parties.
12. The Company has made necessary entries in the register maintained under section 301 of the Act.
13. The Company obtained necessary approvals from the Board of Directors, members and previous approval of the Central Government pursuant to section 314 of the Act wherever applicable.
14. The Company has delivered all the certificates on allotment of securities and on lodgment thereof for transfer in accordance with the provisions of the Act.
15. The Company has deposited the amount of dividend declared including interim dividend in a separate bank account within five days from the date of declaration of such dividend.
16. The Company has paid or posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that there is no unclaimed/unpaid dividend.
17. The Company has duly complied with the requirements of section 217 of the Act.
18. The Board of Directors of the Company is duly constituted and the appointments of directors and additional directors have been duly made. Within the year, three directors of the Company resigned Viz. Dr. Shridhar Shukla, Mr. Ashutosh Joshi and Mr. Ajit Tamhankar and two Directors namely Dr. Promod Haque and Mr. Navin Chaddha were appointed on the Board of Directors
19. The Company has obtained necessary approval of the Regional Director under the provisions of section 297 of the Act. Please refer to Clause No. 11 of the said Certificate.
20. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
21. The Company has issued Equity Shares of Rs. 10 each during the financial year and complied with the provisions of the Act.
22. During the financial year, the Company has issued Series A Preferred Shares of Rs. 100 each to Gabriel Ventures partners (Mauritius) and Norwest Venture Partners Mauritius as Preferential Allotment and complied with the provisions of the Act.
23. The Company has bought back 9,79,450 Equity Shares of Rs. 10 each during the financial year ending March 31, 2006 after complying with the provisions of the Act.
24. The amount borrowed by the Company from banks during the financial year ending March 31, 2006 is within the borrowing limits of the Company.
25. The Company has made loans and investments to other bodies corporate in compliance with the provisions of the Act. However, the Company being a private limited company is not required to maintain Register of Investments under section 372A of the Companies Act, 1956.
26. The Company has altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny and complied with the provisions of the Act. The company has altered its capital clause by reclassifying the authorised share capital by canceling the unissued 25,00,000 Equity Shares of Rs. 10 each and reclassifying them into 2,50,000 Series A participatory cumulative optionally convertible preference shares of Rs. 100 each.



27. The Company has altered its articles of association after obtaining approval of members in the general meeting and the amendments to the articles of association have been duly registered with the Registrar of Companies. The Company has inserted clauses authorizing Buy Back of its own Securities, De-materialization of the Securities and inclusion of provisions of the Intel Amendment Agreement and Shareholders Agreement in Articles of Association
28. There is no prosecution initiated against or show cause notice received by the Company for alleged offences under the Act.

Shridhar S. Kulkarni
Company Secretary
ACS 13046; CP No. 3950
Pune; April 23, 2006

ANNEXURE 'A'

Registers as maintained by the Company

A. Statutory Registers

Sr. No.	Name of Register	Maintained Under Section
1.	Register of charges	143
2.	Register of members	150
3.	Minutes books (Board, Committees and General Meetings)	193
4.	Register of contracts	301
5.	Register of directors	303
6.	Register of directors' shareholding	307
7.	Register of buy-back of securities	Rule 11

B. Other Registers

Sr. No.	Name of Registers Maintained
1.	Register for transfer and transmission of shares
2.	Directors' attendance register
3.	Members' attendance register
4.	Register for application and allotment of shares

ANNEXURE 'B'

Form and Returns as filed by the Company with Registrar of Companies and Regional Director during the financial year ending on March 31, 2006

Sr. No.	Form No/ Return	Filed U/S	For	Date of the event	Date of the filing	Whether filed within the prescribed time
1.	Balance Sheet as at March 31, 2005	220	For the financial year 2004-2005	March 31, 2005	July 5, 2005	Yes
2.	Form 23	309	Distribution of profits amongst the Independent Non-Executive Directors	June 10, 2005	July 5, 2005	Yes
3.	Annual Return	159	Annual General Meeting held on June 10, 2005	June 10, 2005	July 5, 2005	Yes
4.	Form 23	192	Variation in terms of appointment of Chairman and Managing Director	July 22, 2005	July 29, 2005	Yes
5.	Form 24A	297	Application to Central Govt. for the previous approval for entering into contract in which Director is interested	N. A.	September 28, 2005	Yes
6.	Form 2	75	For Allotment of 41,500 Equity Shares	September 30, 2005	October 19, 2005	Yes
7.	Form 8 & Form 13	125 & 130	Creation of Charge (Hypothecation) in favour of Citibank N.A. for Loan of Rs. 4.50 Crores.	October 10, 2005	November 8, 2005	Yes
8.	Form 8 & Form 13	125 & 130	Creation of Charge (Hypothecation) in favour of State Bank of India for total credit facility sanctioned of Rs. 65 Crores	October 21, 2005	November 17, 2005	Yes
9.	Form 32	303	For Appointment of Dr. Promod Haque and Mr. Navin Chaddha as Additional Directors	October 21, 2005	November 21, 2005	Yes
10.	Form 8 & Form 13	125 & 130	Creation of Charge (Hypothecation) in favour of EXIM Bank for Loan of USD 7 Million.	October 25, 2005	November 11, 2005	Yes
11.	Form 23	31	For alteration in Memorandum and Articles of Association.	November 18, 2005	November 21, 2005	Yes



Sr. No.	Form No/ Return	Filed U/S	For	Date of the event	Date of the filing	Whether filed within the prescribed time
12.	Form 5	95	For reclassification of Authorised Share capital	November 18, 2005	November 21, 2005	Yes
13.	Form 32	303	Confirmation of Appointment of Dr. Promod Haque and Mr. Navin Chaddha as Directors in the extra ordinary general meeting	November 18, 2005	November 21, 2005	Yes
14.	Form 32	303	Resignation of Dr. Shridhar Shukla, Mr. Ashutosh Joshi and Mr. Ajit Tamhankar as Directors of the Company	November 18, 2005	November 21, 2005	Yes
15.	Form 2	75	Allotment of 1,57,135 equity shares	November 18, 2005	November 21, 2005	Yes
16.	Form 2	75	Allotment of 2,09,045 Series A Preferred Shares	November 18, 2005	November 21, 2005	Yes
17.	Form 23	192	For Buy Back of 9,79,450 equity shares	November 18, 2005	December 12, 2005	Yes
18.	Letter of offer for Buy Back	Rule 5	For buy-back of 9,79,450 equity shares	December 9, 2005	December 12, 2005	Yes
19.	Declaration of Solvency – From 4	77A (6)	A for buy-back of 9,79,450 equity shares	December 9, 2005	December 12, 2005	Yes
20.	Form III	187C	Declaration of beneficial holders in the equity shares of the Company	December 13, 2005	January 5, 2006	Yes
21.	Form III	187C	Declaration of beneficial holders in the equity shares of the Company	December 16, 2005	January 5, 2006	Yes
22.	Return of buy-back of shares	77A (10)	For buy-back of 9,79,450 equity shares	January 16, 2006	January 16, 2006	Yes
23.	Form 8	125	Modification of Charge (Hypothecation) in favour of Bank of India for enhancement of credit facility from Rs. 3.80 Crores to Rs. 10.80 Crores	March 2, 2006	March 28, 2006	Yes