

VOLUNTARY SECRETARIAL COMPLIANCE CERTIFICATE

CIN : U72300PN1990PLC056696

The Members
Persistent Systems Limited,
'Bhageerath', 402, Senapati Bapat Road,
Pune 411 016.

I have examined the registers, records, books and papers of Persistent Systems Limited (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 period from April 01, 2007 to March 31, 2008. 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 period

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, Central Government, within the time prescribed under the Act and the rules made there under;
3. The Company, was a private limited Company for part of the year during the period which it had the minimum prescribed paid-up capital and its maximum number of members during the said period was 22 (Twenty Two) excluding its present and past employees and the Company during the year under scrutiny
 - i) has not invited public to subscribe for its shares or debentures, and
 - ii) has not invited or accepted any deposits from person other than its members, Directors or their relatives;

During the financial year the Company has been converted to public limited company pursuant to the resolution passed by the members at the extra ordinary general meeting held on September 17, 2007.

4. The Board of Directors duly met 5 (Five) times on April 30, 2007, July 24, 2007, November 7, 2007, January 12, 2008 and February 5, 2008 in respect of which proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose including the circular resolutions passed;
5. The Audit Committee of the Board of Directors duly met 5 (Five) times on April 30, 2007, July 23, 2007, November 6, 2007, January 12, 2008 and February 7, 2008 in respect of which proper notices were given and proceedings were properly recorded and signed including the circular resolutions, if any, passed in the Minutes Book maintained for the purpose;

The Chairman of the Audit Committee is an Independent Director. Composition of the Audit Committee was as per section 292A of the Act.

Sr. No.	Date of Meeting	Composition of Audit Committee as on the date of the Meeting
1.	April 30, 2007	1 (One) Independent Director, 1(One) Executive Director and 2 (Two) Non-Executive Directors
2.	July 23, 2007	1 (One) Independent Director, 1(One) Executive Director and 2 (Two) Non-Executive Directors
3.	November 6, 2007	2 (Two) Independent Directors and 1(One) Executive Director
4.	January 12, 2008	2 (Two) Independent Directors and 1(One) Executive Director
5.	February 7, 2008	2 (Two) Independent Directors and 1(One) Executive Director

6. The Compensation Committee of the Board of Directors duly met 1 (one) time on April 30, 2007 in respect of which proper notices were given and proceedings were properly recorded and signed. The composition of the Compensation Committee as on the date of the meeting was as follows

Sr. No.	Date of Meeting	Composition of the Committee as on the date of the Meeting
1.	April 30, 2007	1 (one) Independent Director, 1(one) Executive Director and 2 (Two) Non-Executive Directors

The Board of Directors vide resolution passed by way of circulation dated October 4, 2007 has delegated the powers of Compensation Committee relating to recommending remuneration of Executive Directors to the Remuneration Committee.

7. The IPO Committee of the Board of Directors duly met 1 (One) time on October 11, 2007 in respect of which proper notice was given and proceedings were properly recorded and signed.
8. The Selection Committee was formed to consider approval for the appointment of Dr. Mukund Deshpande, relative of Dr. Anand Deshpande, Chairman and Managing Director and Mr. S. P. Deshpande, Director of the Company for holding office or place of profit in the Company. The Selection Committee duly met 1 (one) time on May 24, 2007 in respect of which meeting proper notices were given and proceedings were properly recorded and signed;
9. The Annual General meeting for the financial year ended on March 31, 2007 was held on July 23, 2007 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. One extra ordinary general meeting was held on September 17, 2007 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
11. 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.
12. 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 the Central Government through Regional Director, Western Region during previous year, for the Agreement entered into with one of the related parties.

13. The Company has made necessary entries in the register maintained under section 301 of the Act.
14. The Company has made an application to the Central Government, the Ministry of Corporate Affairs on August 3, 2007 under Section 314(1B) of the Act for obtaining approval for appointment of Dr. Mukund Deshpande, relative of Directors to the office of profit viz. "Senior Architect or such other designation". The appointment was duly approved by the Selection Committee on May 24, 2007 and by the members by Special Resolution at the Annual General Meeting on July 23, 2007. The Company has received the approval from the Central Government, the Ministry of Corporate Affairs bearing No. 12 / 637 / 2007 – CL. VII dated October 25, 2007 and further, an amendment was carried out to the said approval letter vide a letter from the Central Government, the Ministry of Corporate Affairs bearing number. 12/637/2007-CL. VII dated January 2, 2008.
15. The Company made an application to the Central Government, the Ministry of Corporate Affairs on November 23, 2007 under Section 212(8) of the Act for the exemption sought from attaching the Directors' Report, Auditors' Report, Balance Sheet and Profit and Loss Account of its Subsidiary Companies to the Balance Sheet to the Company for the financial year 2007-08. The Company has received the approval from the Central Government, the Ministry of Corporate Affairs bearing No. 47 / 429 / 2007 – CL – III.
16. 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.

17. 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.
18. The Company has paid/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.
19. The Company has duly complied with the requirements of section 217 of the Act.
20. The Board of Directors and the Audit Committee of the Board of Directors of the Company are duly constituted. Mr. Sandeep Johri and Mr. Frederick W. W. Bolander resigned from Directorship of the Company and Mr. Ram Gupta was appointed as an Additional Director of the Company during the year under report.
21. 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.

Disclosures made by all Directors under Section 299 of the Act and declarations under Sec. 274(1)(g) of the Act were available for inspection.

22. The Company has issued 1,500 Equity Shares of Rs. 10 each at a premium. Further, the Company issued 25,615,000 Bonus shares of Rs. 10 each during the period under report and complied with the provisions of the Act.
23. The Company has converted 209,045 Series A Participatory Cumulative Optionally Convertible Preference Shares of Rs. 100 each into 2,090,450 Equity Shares of Rs. 10 each during the period under report and has complied with the provisions of the Act.
24. The Company has not issued any Preference Shares during the period under report.
25. The Company has not bought back any securities during the period under report.
26. The amount borrowed by the Company from banks during the financial year ending March 31, 2008 is within the borrowing limits of the Company.
27. The Company has made investments in other bodies corporate in compliance with the provisions of the Act.
28. The Company has altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny and complied with the provisions of the Act. The Company was converted from private limited company to a public limited company and the name of Company was changed from "Persistent Systems Private Limited" to "Persistent Systems Limited".
29. The Company has altered the provisions of the Memorandum of Association with respect to share capital of the Company during the year under report and complied with the provisions of the Act.
30. The Company has altered its Articles of Association after obtaining approval of members in the extra ordinary general meeting held on September 17, 2007 for adoption of new set of Articles of Association consequent to conversion of the Company from private limited company to a public limited company and the amendments to the Articles of Association have been duly registered with the Registrar of Companies.
31. There is no prosecution initiated against or show cause notice received by the Company for alleged offences under the Act.
32. During the year under report, the Corporate Identity Number of the Company (CIN) has been automatically changed by the Ministry of Corporate Affairs from 'U72300MH1990PLC056696' to 'U72300PN1990PLC056696'.

Shridhar S. Kulkarni
Company Secretary
ACS 13046; CP No. 3950

Place : Pune
Date : April 24, 2008

ANNEXURE 'A'

Registers as maintained by the Company

A. Statutory Registers

Sr. No.	Name of the Register	Maintained Under Section
1.	Register of Charges	143
2.	Register of Members	150
3.	Minutes Books (Board, Committee 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
8.	Register of Investments	372A

B. Other Registers

Sr. No.	Name of the Register 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, Regional Director, Central Government or other authorities during the period ending on March 31, 2008

Sr. No.	Form No/Return	For	Filed u/s	Date of Event	Date of Filing	Whether filed with in the prescribed time
1	eForm 62	Reduction in the beneficial holding of the PSPL ESOP Management Trust (Trust) due to transfer from Trust to the employees on exercising the vested options	187C	March 30, 2007	April 11, 2007	Yes
2	eForm 17	Satisfaction of charge in favour of the EXIM Bank for Rs. 40 Crores*	138	April 04, 2007	April 19, 2007	Yes
3	eForm 17	Satisfaction of charge in favour of the EXIM Bank for Rs. 30 Crores	138	April 25, 2007	May 14, 2007	Yes
4	eForm 32	Resignation of Director Mr. Sandeep Johri	303 (2)	May 10, 2007	May 22, 2007	Yes

Sr. No.	Form No/Return	For	Filed u/s	Date of Event	Date of Filing	Whether filed within the prescribed time
5	eForm 23	Appointment of Dr. Anand Deshpande as the Chairman and Managing Director for five years w.e.f. April 01, 2007 Remuneration payable for the Financial Year 2007-08	192 (4)(c)	April 30, 2007	May 29, 2007	Yes
6	eForm 2	Allotment of 1,500 shares to Non-executive Independent Directors	75(1)	June 21, 2007	June 21, 2007	Yes
7	eForm 23	Special Resolution passed for appointment of Dr. Mukund Deshpande u/s 314(1B)	192	July 23, 2007	August 02, 2007	Yes
8	eForm 23	Following resolutions passed in AGM A. Appointment of Dr. Anand Deshpande as Managing Director B. Appointment of Mr. S. P. Deshpande as Executive Director C. Payment of Commission by way of remuneration to Non-Executive Directors	192	July 23, 2007	August 02, 2007	Yes
9	eForm 32	Confirmation of appointment of Mr. Frederick W. W. Bolander in AGM as Director of the Company	303 (2)	July 23, 2007	August 03, 2007	Yes
10	eForm 24B	Application to the Central Government for appointment of Dr. Mukund Deshpande to Office or place of profit	314(1B)	July 23, 2007	August 03, 2007	Yes
11	Sch V	Annual return for the financial year 2006-07	159	July 23, 2007	August 04, 2007	Yes
12	Sch VI	Balance Sheet as on March 31, 2007	220	March 31, 2007	August 04, 2007	Yes
13	eForm 32	Appointment of Mr. Ram Gupta as Additional Director	303 (2)	September 14, 2007	September 17, 2007	Yes
14	eForm 62	Conversion of fully paid Series A Participatory Cumulative Optionally Convertible Preference Shares to Equity Shares	NA	September 17, 2007	September 18, 2007	Yes
15	eForm 5	A. Increase in Authorised Capital B. Reclassification of 209,045 Series A Participatory Cumulative Optionally Convertible Preference Shares of Rs. 100 each into 2,090,450 Equity Shares of Rs. 10 each	95, 97	September 17, 2007	September 18, 2007	Yes

Sr. No.	Form No/Return	For	Filed u/s	Date of Event	Date of Filing	Whether filed within the prescribed time
16	eForm 23	Following resolutions were passed A. Conversion of private limited company to public limited company B. Preferential allotment of shares. C. Allotment of shares at Initial Public Offering	192	September 17, 2007	September 19, 2007	Yes
17	eForm 62	Filing of Statement in Lieu of Prospectus for conversion of the Company from Private Limited to Public Limited	44	September 17, 2007	September 19, 2007	Yes
18	eForm 2	Issue of 2,56,15,000 Bonus Shares	75 (1)	September 17, 2007	September 25, 2007	Yes
19	eForm 23	Resolution passed under section 293(1)(a) and 293(1)(d) of the Act	192	September 17, 2007	October 01, 2007	Yes
20	eForm 32	Cessation of Mr. Frederick W. W. Bolander as Director of the Company	303 (2)	October 02, 2007	October 06, 2007	Yes
21	eForm 17	Satisfaction of Charge in full in favour of Bank of India for Rs. 3,80,00,000.	138	October 05, 2007	October 11 2007	Yes
22	eForm 22B	For Equity Shares held in beneficial interest by Dr. Anand Deshpande and Mr. S. P. Deshpande on behalf of PSPL ESOP Management Trust	187C	September 17, 2007	October 15, 2007	Yes
23	eForm 22B	For Equity Shares held in beneficial interest by the PSPL ESOP Management Trust on behalf of 122 shareholders who were entitled to fractional Equity Shares out of Bonus Issue	187C	September 17, 2007	October 15, 2007	Yes
24	eForm 8	Modification of Charge in favour of State Bank of India for Rs. 20,00,00,000	135	October 09, 2007	October 19, 2007	Yes
25	eForm 23AAB	Application for exemption in attaching financial statements of the subsidiaries	212 (8)	NA	November 23, 2007	NA

* No certificate to that effect received from the Registrar of Companies.

Pune, April 24, 2008

Shridhar S. Kulkarni
Company Secretary
ACS 13046; CP No. 3950