



**Persistent**

# **Postal Ballot Notice**

## Postal Ballot Notice

*[Pursuant to Section 110 of the Companies Act, 2013, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014]*

Dear Members,

**Notice** is hereby given that pursuant to the provisions of Sections 110 and 108 of the Companies Act, 2013 (the 'Act'), including any statutory modification(s) or re-enactment(s) thereof for the time being in force and other applicable provisions, if any, of the Act read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the 'Rules'), as amended from time to time, read with the General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 9/2023 dated September 25, 2023 and other relevant circulars issued by the Ministry of Corporate Affairs, Government of India (the 'MCA') (hereinafter collectively referred to as 'MCA Circulars'), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023, Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India ('ICSI'), as amended from time to time and pursuant to other applicable laws and regulations, resolutions as set out in this Postal Ballot Notice ('Notice'), are proposed to be passed with requisite majority as Ordinary/Special Resolutions by the Members of Persistent Systems Limited ('the Company') through Postal Ballot ('Postal Ballot') only by way of remote e-voting ('remote e-voting') facility.

In compliance with the MCA Circulars, this Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participant(s) as of **Friday, February 2, 2024 ('Cut-off Date')**. If the Members' e-mail addresses are not registered or updated with the Company / Depository Participant(s), they may follow the process provided in the Notes hereunder to receive the Notice, login ID, and password for remote e-voting. Members are requested to read the instructions given in the Notes under the section 'Voting through Electronic Means' of the Notice. The communication of the assent or dissent of the Members would take place only through the remote e-voting facility.

An Explanatory Statement pursuant to Section 102, 110 and other applicable provisions of the Act read with the Rules, pertaining to the resolutions setting out the material facts and the reasons/rationale thereof, is appended and forms part of the Notice. Pursuant to Rule 22(5) of the Rules, the Board of Directors ('Board') of the Company, vide resolution dated January 20, 2024, has appointed M/s. SVD & Associates, Practicing Company Secretaries, Pune [represented by Mr. Sridhar Mudaliar (FCS 6156, COP 2664) or failing him, Ms. Sheetal Joshi (FCS 10480, COP 11635)] as the Scrutinizers ('Scrutinizer') for conducting the Postal Ballot through remote e-voting process in a fair and transparent manner.

The remote e-voting period commences at **9:00 A.M. (IST)** on **Thursday, February 8, 2024**, and will conclude at **5:00 P.M. (IST)** on **Friday, March 8, 2024 ('remote e-voting period')**, thereafter, the remote e-voting module will be disabled, and voting shall not be allowed beyond the said time.

The index of the proposed Resolutions is as follows:

Sr. No.	List of Resolutions	Type of Resolution
1.	To approve Sub-Division / Split of 1 (One) Equity Share of INR 10/- (INR Ten Only) each into 2 (Two) Equity Shares of INR 5/- (INR Five Only) each and the consequent amendment to the Memorandum of Association of the Company	Ordinary Resolution
2.	To approve an amendment in the scheme document for 'Persistent Employee Stock Option Scheme 2014 (PESOS 2014)' to amend the Face Value and accordingly the aggregate number of stock options already approved by the Shareholders consequent to the Sub-Division/Split of Equity Shares for grant of stock options to the employees of the Company	Special Resolution
3.	To approve an amendment in the scheme document for 'Persistent Employee Stock Option Scheme 2014 (PESOS 2014)' to amend the Face Value and accordingly the aggregate number of Stock Options already approved by the Shareholders consequent to the Sub-Division/Split of Equity Shares for grant of Stock Options to the employees of the Subsidiary(ies) of the Company	Special Resolution
4.	To approve an amendment in the clause of 'Persistent Employee Stock Option Scheme 2014 (PESOS 2014)' to add a time period to the existing maximum cap on the Stock Options that could be granted to an individual employee of the Company under PESOS 2014	Special Resolution
5.	To approve an amendment in the clause of 'Persistent Employee Stock Option Scheme 2014 (PESOS 2014)' to add a time period to the existing maximum cap on the Stock Options that could be granted to an individual employee of the Subsidiary(ies) of the Company under PESOS 2014	Special Resolution

The proposed detailed Resolutions, instructions for e-voting and Explanatory Statements pertaining to the resolutions setting out all material facts and the reasons thereof are annexed hereto for your consideration.

## Resolution No. 1

**To approve Sub-Division/Split of 1 (One) Equity Share of INR 10/- (INR Ten Only) each into 2 (Two) Equity Shares of INR 5/- (INR Five Only) each and the consequent amendment to the Memorandum of Association of the Company**

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

**RESOLVED THAT** pursuant to the provisions of Section 61(1)(d), 64 and other applicable provisions of the Companies Act, 2013 ('the Act'), the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015 ('Listing Regulations') [including any statutory modification(s), notifications, circulars issued thereunder or re-enactment(s) thereof, for the time being in force], in accordance with the Articles of Association of the Company and subject to such permissions, consents and approvals as may be required from the concerned statutory authorities, approval of the Members of the Company be and is hereby accorded for Sub-Division/Split of Equity Shares of the Company, such that 1 (One) Equity Share having Face Value of INR 10/- (INR Ten Only) each, fully paid-up, be sub-divided/split into 2 (Two) Equity Shares having Face Value of INR 5/- (INR Five Only) each, fully paid-up, ranking *pari-passu* in all respects with effect from such date as may be fixed for this purpose ('Record Date') by the Board (hereinafter the term 'Board', shall be deemed to encompass any existing Committee(s) formed by the Board of Directors, or those constituted by the Board subsequently, and any individual authorized by the Board) of the Company.

**RESOLVED FURTHER THAT** pursuant to the Sub-Division / Split of Equity Shares of the Company, the Authorized, Issued, Subscribed and Paid-up share capital of Face Value of INR 10/- (INR Ten Only) each, fully paid up, existing on the Record Date, shall stand sub-divided/split as follows:

Particulars	Type of Share Capital	No. of Equity Shares	Face Value (in INR)	Total Share Capital (in INR)
<b>Pre-Sub-Division/ Split of Equity Shares</b>	Authorized Equity Share Capital	200,000,000	10	2,000,000,000
	Issued, Subscribed and Paid-up Equity Share Capital	77,025,000*	10	770,250,000*
<b>Post-Sub-Division/ Split of Equity Shares</b>	Authorized Equity Share Capital	400,000,000	5	2,000,000,000
	Issued, Subscribed and Paid-up Equity Share Capital	154,050,000	5	770,250,000

(\* Pursuant to the allotment of 100,000 Equity Shares on February 1, 2024, to PSPL ESOP Management Trust. Listing of these Equity Shares on the Stock Exchanges is in process.

**RESOLVED FURTHER THAT** upon Sub-Division / Split of Equity Shares as aforesaid and with effect from the Record Date:

- a. for the Equity Shares held in physical form, the existing share certificate(s) in relation to the said Equity Shares, shall be deemed to have been automatically cancelled and shall be of no effect and the Board, without requiring the Members to surrender their existing share certificate(s), shall issue new share certificate(s)/Letters of Confirmation of the Company and shall comply with the prevailing laws/ guidelines in this regard; and

- b. for the Equity Shares held in dematerialized form, the sub-divided/split Equity Shares shall be credited proportionately into the respective beneficiary demat account(s) of the Members held with their Depository Participant(s), in lieu of the existing credits present in their respective beneficiary demat account(s).

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Act and the Rules made thereunder, consent of the Members of the Company be and is hereby accorded to substitute the existing Clause V of the Memorandum of Association of the Company with the following new clause:

*“V. The Authorized Share Capital of the Company is INR 2,000,000,000/- (INR Two Hundred Crores Only) divided into 400,000,000 (Forty Crores Only) Equity Shares of INR 5/- (INR Five Only) each with a power to increase or reduce the capital for the time being of the Company into several classes and to attach hereto respectively preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.”*

**RESOLVED FURTHER THAT** the Sub-Division/Split of Equity Shares shall be subject to the terms and conditions contained in the Memorandum of Association and Articles of Association of the Company.

**RESOLVED FURTHER THAT** pursuant to the approval of the Board, consent of the Members be and is hereby accorded to make appropriate adjustments due to Sub-Division/Split of Equity Shares of the Company to the Stock Options which are/will be granted, unvested, vested but not exercised, exercised, lapsed/ cancelled by the employees of the Company and its subsidiaries covered under the following plan(s):

- 1\ Employee Stock Option Plan I
- 2\ Employee Stock Option Award II
- 3\ Employee Stock Option Plan III
- 4\ Employee Stock Option Award IV
- 5\ Employee Stock Option Award V
- 6\ Employee Stock Option Award VI
- 7\ Employee Stock Option Award VII
- 8\ Employee Stock Option Award VIII
- 9\ Employee Stock Option Award IX
- 10\ Employee Stock Option Award X
- 11\ Persistent Employee Stock Option Scheme 2014 (PESOS 2014)
- 12\ Employee Stock Option Award XII Silver Jubilee Scheme

### 13\ Employee Stock Option Plan 2017 (ESOP 2017)

administered by PSPL ESOP Management Trust (the 'ESOP Trust') pursuant, inter-alia, to the Securities and Exchange Board of India (Employee Stock Options and Employee Stock Purchase Scheme) Guidelines, 1999 and / or the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 and any amendments thereto from time to time, such that the exercise price for all outstanding Stock Options as on the Record Date shall be proportionately adjusted and the number of outstanding Stock Options as on Record Date shall be appropriately adjusted.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the power(s) conferred herein-above as it may in its absolute discretion deem fit, to one or more of the existing Committee(s) of Directors or to any of the Director(s), Officers(s), Company Secretary, Authorized Representative(s), in order to give effect to the aforesaid resolution, and to do such other acts, deeds and things as may be required for completion and implementation of Sub-Division / Split of the Equity Shares of the Company, and matters incidental and ancillary thereto.

**RESOLVED FURTHER THAT** the Board or its Committee(s) be and are hereby authorized on behalf of the Company to do all such acts, deeds, matters and things including to fix and announce the Record Date, and Dr. Anand Deshpande, Chairman and Managing Director, Mr. Sandeep Kalra, Chief Executive Officer and Executive Director, Mr. Sunil Sapre, Chief Financial Officer and Executive Director and Mr. Amit Atre, Company Secretary be and are hereby severally authorized to make appropriate adjustments on account of Sub-Division/Split of Equity Shares including giving the effect of the Sub-Division/Split of Shares to the to the abovementioned 13 (Thirteen) Schemes, to accept and make any alteration(s), modification(s) to terms and to give such directions as they may in their absolute discretion deem necessary, proper or desirable, to apply for requisite approvals, to settle any questions, doubts or difficulties that may arise with regard to the Sub-Division/Split of the Equity Shares as aforesaid and to carry out/ execute all matters in connection therewith and incidental thereto in order to give full effect to this resolution including execution and filing of all the relevant documents with the Registrar of Companies, Stock Exchanges, Depositories and other appropriate authorities in due compliance of the applicable rules and regulations, without seeking any further approval/consent of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto and for matters connected therewith or incidental thereto expressly by the authority of this resolution.

## Resolution No. 2

**To approve an amendment in the Scheme document for 'Persistent Employee Stock Option Scheme 2014 (PESOS 2014)' to amend the Face Value and accordingly the aggregate number of the options already approved by the Shareholders consequent to the Sub-Division / Split of Equity Shares for grant of stock options to the employees of the Company**

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

**RESOLVED THAT** pursuant to Companies (Share Capital and Debentures) Rules, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and including any

statutory modification(s) or re-enactment(s) thereof, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be required, and subject to such conditions or modifications as may be prescribed, imposed or suggested while granting such approvals, permissions or sanctions which may be agreed to, by the Board (hereinafter the term 'Board', shall be deemed to encompass any existing Committee(s) formed by the Board, or those constituted by the Board subsequently, and any individual authorized by the Board), and subject to the approval of the Members to Resolution No.1 pertaining to Sub-Division/Split of shares, consent of the Members be and is hereby accorded for substitution of existing Clause 7.1 of the Persistent Employees Stock Option Scheme 2014 (PESOS 2014) by the following Clause 7.1:

*“7.1 The Exercise Price shall be equal to Face Value of shares as defined in Clause 3.1.”*

**RESOLVED FURTHER THAT** the PESOS 2014 Scheme be suitably amended to give effect to the Sub-Division/Split of Face Value of Equity Shares of the Company from INR 10/- per Equity Share to INR 5/- per Equity Share and all the requisite changes, amendments, alterations, adjustments, etc. be accordingly carried out in PESOS 2014, so as to continue extending benefits thereunder to the employees of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the power(s) conferred herein-above as it may in absolute discretion deem fit, to one or more of the existing Committee(s) of the Board or to any of Dr. Anand Deshpande, Chairman and Managing Director, Mr. Sandeep Kalra, Chief Executive Officer and Executive Director, Mr. Sunil Sapre, Chief Financial Officer and Executive Director and Mr. Amit Atre, Company Secretary, in order to give effect to the aforesaid resolution, and to do such other acts, deeds and things as may be required for completion and implementation of Sub-Division/Split of the Equity Shares of the Company, and matters incidental and ancillary thereto.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Dr. Anand Deshpande, Chairman and Managing Director, Mr. Sandeep Kalra, Chief Executive Officer and Executive Director, Mr. Sunil Sapre, Chief Financial Officer and Executive Director and Mr. Amit Atre, Company Secretary be and are hereby severally authorized to accept and make any alterations, modifications to the terms and conditions as they may deem necessary, concerning amendment to aforesaid plan(s) and related matters, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all incidental/ancillary acts, deeds, matters and things as they may, in their absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters in relation/consequential to the amendment to aforesaid plan(s) and related matters, including execution and filing of all the relevant documents with the Stock Exchanges, Depositories and other appropriate authorities, in due compliance of the applicable rules and regulations, without seeking any further consent or approval of the Members or otherwise, to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

## Resolution No. 3

**To approve an amendment in the Scheme document for 'Persistent Employee Stock Option Scheme 2014 (PESOS 2014)' to amend the Face Value and accordingly the aggregate number of the options already approved by the Shareholders consequent to the Sub-Division / Split of Equity Shares for grant of stock options to the employees of the Subsidiary(ies) of the Company**

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

**RESOLVED THAT** pursuant to Companies (Share Capital and Debentures) Rules, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and including any statutory modification(s) or re-enactment(s) thereof, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be required, and subject to such conditions or modifications as may be prescribed, imposed or suggested while granting such approvals, permissions or sanctions which may be agreed to by the Board (hereinafter the term 'Board', shall be deemed to encompass any existing Committee(s) formed by the Board, or those constituted by the Board subsequently, and any individual authorized by the Board), consent of the Members be and is hereby accorded for substitution of existing Clause 7.1 of the Persistent Employees Stock Option Scheme 2014 (PESOS 2014) by the following Clause 7.1:

*"7.1 The Exercise Price shall be equal to Face Value of shares as defined in Clause 3.1."*

**RESOLVED FURTHER THAT** Persistent Employees Stock Option Scheme 2014 (PESOS 2014) be suitably amended to give effect to the Sub-Division of Face Value of Equity Shares of the Company from INR 10/- per Equity Share to INR 5/- per Equity Share and all the requisite changes, amendments, alterations, adjustments etc. be accordingly carried out in PESOS 2014, so as to continue extending/granting benefits thereunder to the employees of subsidiaries of the Company, both present and future.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the power(s) conferred herein-above as it may in absolute discretion deem fit, to one or more of the existing Committee(s) of the Board or to any of Dr. Anand Deshpande, Chairman and Managing Director, Mr. Sandeep Kalra, Chief Executive Officer and Executive Director, Mr. Sunil Sapre, Chief Financial Officer and Executive Director and Mr. Amit Atre, Company Secretary, in order to give effect to the aforesaid resolution, and to do such other acts, deeds and things as may be required for completion and implementation of Sub-Division/Split of the Equity Shares of the Company, and matters incidental and ancillary thereto.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Dr. Anand Deshpande, Chairman and Managing Director, Mr. Sandeep Kalra, Chief Executive Officer and Executive Director, Mr. Sunil Sapre, Chief Financial Officer and Executive Director and Mr. Amit Atre, Company Secretary be and are hereby severally authorized to accept and make any alterations, modifications to the terms and conditions as they may deem necessary, concerning amendment to aforesaid plan(s) and related matters, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all



incidental/ancillary acts, deeds, matters and things as they may, in their absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters in relation/ consequential to the amendment to aforesaid plan(s) and related matters, including execution and filing of all the relevant documents with the Stock Exchanges, Depositories and other appropriate authorities, in due compliance of the applicable rules and regulations, without seeking any further consent or approval of the Members or otherwise, to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

## Resolution No. 4

**To approve an amendment in the clause of ‘Persistent Employee Stock Option Scheme 2014 (PESOS 2014)’ to add a time period to the existing maximum cap on the Stock Options that could be granted to an individual employee of the Company under PESOS 2014**

To consider and if thought fit, to pass 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 thereunder, pursuant to the provisions of Regulation 6(3)(c) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2012 read with all circulars and notifications issued thereunder (‘SBEB Regulations’), the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum and Articles of Association of the Company and such other approvals, permissions and sanctions as may be necessary, subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval of the Members be and is hereby accorded to amend clause 3.4 of the PESOS 2014 scheme to read as follows:

*“3.4 The number of options that may be offered to any specific Employee shall not exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company, during every continuous 4 (four) years of their employment with the Company or any of its subsidiaries, at the time of grant of options under PESOS 2014.”*

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter the term ‘Board of Directors’, shall be deemed to encompass any existing Committee(s) formed by the Board, or those constituted by the Board subsequently, and any individual authorized by the Board) read with Regulation 5 of the SBEB Regulations, Dr. Anand Deshpande, Chairman and Managing Director, Mr. Sandeep Kalra, Chief Executive Officer and Executive Director, Mr. Sunil Sapre, Chief Financial Officer and Executive Director and Mr. Amit Atre, Company Secretary be and are hereby severally authorized for the purpose of giving effect to this resolution and to do all such incidental/ancillary acts, deeds, matters and things including any eventual amendment to the Deed of Trust and sign Deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for giving effect to this resolution with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard in conformity with the provisions of the Companies Act, 2013, SBEB Regulations, the Memorandum and Articles of Association of the Company and other applicable laws.

## Resolution No. 5

**To approve an amendment in the clause of ‘Persistent Employee Stock Option Scheme 2014 (PESOS 2014)’ to add a time period to the existing maximum cap on the Stock Options that could be granted to an individual employee of the Subsidiary(ies) of the Company under PESOS 2014**

To consider and if thought fit, to pass 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, pursuant to the provisions of Regulation 6(3)(c) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021 read with all circulars and notifications issued thereunder (‘SBEB Regulations’), the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum and Articles of Association of the Company and such other approvals, permissions and sanctions as may be necessary, subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval of the Members be and is hereby accorded for 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 Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to amend clause 3.4 of the PESOS 2014 scheme for the employees of subsidiaries of the Company, both present and future, to read as follows.

*“3.4 The number of options that may be offered to any specific Employee shall not exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company, during every continuous 4 (four) years of their employment with the Company or any of its subsidiaries, at the time of grant of options under PESOS 2014.”*

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter the term ‘Board of Directors’, shall be deemed to encompass any existing Committee(s) formed by the Board, or those constituted by the Board subsequently, and any individual authorized by the Board) read with Regulation 5 of the SEBI SBEB Regulations, Dr. Anand Deshpande, Chairman and Managing Director, Mr. Sandeep Kalra, Chief Executive Officer and Executive Director, Mr. Sunil Sapre, Chief Financial Officer and Executive Director and Mr. Amit Atre, Company Secretary be and are hereby severally authorized for the purpose of giving effect to this resolution and to do all such incidental/ancillary acts, deeds, matters and things including any eventual amendment to the deed of Trust and sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem

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fit or necessary or desirable for giving effect to this resolution with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard in conformity with the provisions of the Companies Act, 2013, SBEB Regulations, the Memorandum and Articles of Association of the Company and other applicable laws.

By the order of the Board of Directors

**Amit Atre**

Company Secretary

ICSI Membership No.: ACS 20507

Pune, February 6, 2024

**Persistent Systems Limited**

CIN: L72300PN1990PLC056696

**Registered Office**

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Website: [www.persistent.com](http://www.persistent.com)

## NOTES:

- 1) The Explanatory Statement pursuant to Section 102, 110 of the Companies Act, 2013 and the Rules thereto, giving reasons for the proposed 5 (Five) Resolutions stating out material facts is annexed hereto.
- 2) In conformity with the applicable regulatory requirements, the Notice is being sent only through electronic mode to those Members whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories, as on Friday, February 2, 2024 ('Cut-off date') and who have registered their e-mail address with the Company or Depository Participant(s). Members may note that this Notice will also be available on the website of the Company (<https://www.persistent.com/>); National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)), BSE Limited ([www.bseindia.com](http://www.bseindia.com)); and NSDL ([www.evoting.nsdl.com](http://www.evoting.nsdl.com)).
- 3) In compliance with Sections 110 and 108 of the Companies Act, 2013 and the Rules made thereunder, the Company has provided the facility to the Members to exercise their votes electronically and vote on the resolution through the remote e-voting facility provided by National Securities Depository Limited ('NSDL'). The instructions for e-voting are annexed to this Notice.
- 4) Voting rights of the Members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on the Cut-off date. Only those Members whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date will be entitled to cast their votes by remote e-voting.
- 5) The remote e-voting period commences at 9:00 A.M. (IST) on Thursday, February 8, 2024, and will conclude at 5:00 P.M. (IST) on Friday, March 8, 2024 ('remote e-voting period'), thereafter remote e-voting module will be disabled, and e-voting shall not be allowed beyond the said time. During this remote e-voting period, Members of the Company holding shares either in physical form or in dematerialized form, as on the Cut-off date may cast their vote electronically. Once a member cast their vote on the resolution, they will not be allowed to change it subsequently.
- 6) Members who have not registered/updated their e-mail address with the Company or Depository Participant(s), may complete the e-mail registration process as under:
  - a. Members holding shares in physical form and whose KYC details including e-mail address are not registered/ updated with the Company, may register/ update their KYC details including e-mail address by submitting duly filled and signed request letter in Form ISR-1 along with self-attested copy of the PAN Card linked with Aadhaar; and self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport etc.) in support of the address of the member and such other documents as prescribed in the Form ISR-1, by e-mail at [pune@linkintime.co.in](mailto:pune@linkintime.co.in) followed by mandatorily sending the physical copy of the same through post to the Registered Office of the Company; and
  - b. Members holding shares in demat form can update their e-mail address with their Depository Participant(s).
- 7) The draft copy of the altered Memorandum of Association of the Company and other documents will be available for inspection without any fee by the Members at the Registered Office of the

Company during business hours on any working day, excluding Saturday, up to the closure of remote e-voting period i.e., Friday, March 8, 2024.

- 8) The Board of Directors has appointed M/s. SVD & Associates, Practicing Company Secretaries, Pune (represented by Mr. Sridhar Mudaliar (FCS 6156, COP 2664) or failing him Ms. Sheetal Joshi (FCS 10480, COP 11635) as the Scrutinizers to scrutinize the remote 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.
- 9) The Scrutinizer shall, immediately after the conclusion of e-voting, unblock the votes cast through remote e-voting and make, not later than 2 working days of the conclusion of the e-voting i.e., by Tuesday, March 12, 2024, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to any of the Executive Directors of the Company, who shall countersign the same and declare the result of the voting forthwith.
- 10) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company ([www.persistent.com](http://www.persistent.com)) and on the website of NSDL <https://www.evoting.nsdl.com> immediately after the declaration of result to 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 are listed.
- 11) Members may note that any time before the Record Date, should the competent regulatory authority(ies) issue any circular, amendment, or notification permitting the issue of securities only in demat form, the Company will accordingly, at its sole discretion, issue Equity Shares in demat form only, upon Sub-Division / Split.

Further, SEBI has mandated that securities of listed companies can be transferred only in dematerialize form. To avail various benefits of dematerialization, Members are advised to dematerialize shares held by them in physical form, for ease in portfolio management.

Members may refer to SEBI Master Circular, relevant Investor Service Request Forms and contact details for sending requisite forms/ documents, available on the website of the Company at <https://www.persistent.com/investors/investors-communication/notice-to-physical-shareholders/>

Members may note that any time before the Record Date, should the competent regulatory authority(ies) issue any circular, amendment, or notification permitting the issue of securities only in demat form, the Company will accordingly, at its sole discretion, issue Equity Shares in demat form only, upon Sub-Division/Split.

- 12) SEBI vide its Master Circular SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated August 11, 2023, has introduced Online Dispute Resolution (ODR), which is in addition to the existing SCORES platform which can be utilized by the investors and the Company for dispute resolution. Please note that the investors can initiate dispute resolution through the ODR portal only after exhausting the option to resolve dispute with the Company and on the SCORES platform.

## Voting through Electronic Means

In compliance with the provisions of Sections 110 and 108 of the Act, Rules 22 and 20 of the Rules, Regulation 44 of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 and SS-2 issued by the ICSI, the Company is pleased to provide remote e-voting facility to all its Members, to enable them to cast their votes electronically. The Company has engaged the services of NSDL.

The details of the process and manner for remote e-voting are explained herein below:

### How do I vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-voting system consists of 'Two Steps' which are mentioned below:

**Step 1:** Access to NSDL e-voting system.

**Step 2:** Cast your vote electronically on NSDL e-voting system.





**Details on Step 1 are given below:**

#### A) Login method for e-voting for Individual Members holding securities in demat form

In terms of SEBI circular dated December 9, 2020, on e-voting facility provided by Listed Companies, individual Members holding securities in demat form are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and e-mail address in their demat account(s) to access e-voting facility.

Login method for individual Members holding Equity Shares in demat form is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>1\ Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the '<b>Beneficial Owner</b>' icon under '<b>Login</b>' which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on '<b>Access to e-voting</b>' under e-voting services and you will be able to see e-voting page. Click on company name or <b>e-voting service provider i.e. NSDL</b> and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period.</p>

Type of shareholders	Login Method
	<p>2\ If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select <b>‘Register Online for IDeAS Portal’</b> or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3\ Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon ‘Login’ which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting <b>service provider i.e. NSDL</b> and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period.</p> <p>4\ Shareholders/Members can also download NSDL Mobile App <b>‘NSDL Speede’</b> facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>  <b>App Store</b>       <b>Google Play</b></div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>
<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<p>1\ Users who have opted for CDSL Easi / Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</p> <p>2\ After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during</p>

Type of shareholders	Login Method
	<p>the remote e-voting period. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.</p>
<b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period.</p>

**Important note:** Members who are unable to retrieve User ID / password are advised to use Forgot User ID and Forgot Password option available at above mentioned website.

**Helpdesk for individual Members holding securities in demat form for any technical issues related to login through Depositories i.e., CDSL and NSDL:**

Login type	Helpdesk details
Individual Members holding securities in demat form with NSDL	Members facing any technical issue during login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Members holding securities in demat form with CDSL	Members facing any technical issue during login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 2305 8738 or 022-2305 8542-43



**B) Login method for Members other than individual Members holding securities in demat form and Members holding securities in physical form.**

**How to Log-in to NSDL e-voting website?**

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your password and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL e-services i.e., IDeAS, you can log-in at <https://eservices.nsd.com/> with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in ID and password, click on e-voting and you can proceed to Step 2 i.e., Cast your vote electronically.
4. Your User ID details are given below:

<b>Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a. For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b. For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c. For Members holding shares in physical form	EVEN Number followed by Folio Number registered with the Company For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001***

**5. Your password details are given below:**

- a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c. **How to retrieve your 'initial password'?**
  - i. If your e-mail address is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail address. Trace the e-mail sent to you from NSDL ([evoting@nsdl.com](mailto:evoting@nsdl.com)) in your mailbox, open the e-mail and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digits client ID for

- NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- ii. In case you have not registered your e-mail address with the Company/Depository, please follow instructions mentioned below in **process for those Members whose e-mail address is not registered.**
6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
    - a. Click on '**Forgot User Details/Password?**' (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b. '**Physical User Reset Password?**' (If you are holding shares in physical form) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
    - d. Members can also use the OTP (One-Time Password) based login for casting the votes on the e-voting system of NSDL.
  7. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.
  8. Now, you will have to click on 'Login' button.
  9. After you click on the 'Login' button, Home page of e-voting will open.

**Details on Step 2 are given below:**

#### **How to cast your vote electronically on NSDL e-voting system?**

1. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle are active.
2. Select 'EVEN' of the Company. EVEN of the Company is: 127744
3. Now you are ready for e-voting as the voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
5. Upon confirmation, the message 'Vote cast successfully' will be displayed.
6. You have an option to take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## Process for procuring user ID and password for e-voting for those Members whose e-mail address is not registered with the Company/ Depositories:

1. In case shares are held in physical form, please provide folio number, name of the member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) by e-mail to [investors@persistent.com](mailto:investors@persistent.com)
2. In case shares are held in demat form, please provide DP ID and Client ID (16-digit DP ID + Client ID or 16-digit beneficiary ID), name of member, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) by e-mail to [investors@persistent.com](mailto:investors@persistent.com). If you are an individual member holding securities in demat form, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-voting for individual Members holding securities in demat form.
3. In terms of SEBI circular dated December 9, 2020, on e-voting facility provided by listed companies, individual Members holding securities in demat form are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are required to update their mobile number and e-mail address correctly in their demat account to access e-voting facility.

## General Guidelines for Members

- i. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/ Password?' or 'Physical User Reset Password?' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- ii. In case of any queries, you may refer the Frequently Asked Questions ('FAQs') for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on no.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Senior Manager, NSDL, 4<sup>th</sup> Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Members may also write to the Company Secretary at the Company's email address at [investors@persistent.com](mailto:investors@persistent.com).

## **Explanatory Statement — Pursuant to Section 102 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

The following Explanatory Statement sets out material facts relating to Resolution Nos. 1 to 5 of the accompanying Notice:

### **Resolution No. 1**

The Financial Year 2022-23 was momentous for the Company as it achieved several key milestones including crossing US\$1 Billion in annual revenue and inclusion in three key indices of the National Stock Exchange of India including the Nifty IT index, MSCI, among others. Further, during FY 2023-24, the Company has reported a strong and consistent QoQ revenue growth. As a result, the Equity Shares of the Company listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) yielded higher returns on the investments to the investors.

Considering the above performance, it is proposed to consider Sub-Division/Split of the Equity Shares of the Company i.e., reduction in the Face Value per Share and resulting into a proportionate increase in the number of Equity Shares. In the opinion of the Board of Directors, the proposed Sub-Division/Split will make the Equity Shares of the Company more affordable and attractive to investors/potential investors. The Board of Directors believes that this will be in the best interest of the investors and the Company.

The Board of Directors of the Company (the 'Board') at its Meeting held on January 20, 2024 approved, subject to the approval of Members of the Company and statutory authority(ies), if any, the Sub-Division/Split of Equity Shares of the Company, such that 1 (One) Equity Share having Face Value of INR 10/- (INR Ten Only) each, fully paid-up, be sub-divided/split into 2 (Two) Equity Shares having Face Value of INR 5/- (INR Five Only) each, fully paid-up, ranking *pari-passu* in all respects with effect from such date ('Record Date') as may be fixed for this purpose by the Board.

The Sub-Division/Split of Equity Shares of the Company as aforesaid will require alteration to the existing Capital Clause i.e., Clause V of the Memorandum of Association of the Company. There will not be any change in the aggregate amount of authorized, subscribed, issued and paid-up share capital of the Company on account of Sub-Division/Split of the Equity Shares. Further, such Sub-Division/Split shall not be construed as reduction in share capital of the Company in any manner, in accordance with the applicable provisions of the Companies Act, 2013. Accordingly, the Capital Clause in the Memorandum of Association of the Company will be revised as follows:

### **Original Clause:**

*"V. The Authorized Share Capital of the Company is Rs. 2,00,00,00,000 (Rupees Two Hundred Crores) divided into 20,00,00,000 (Twenty Crores Only) Equity Shares of Rs. 10 (Rupees Ten only) each with a power to increase or reduce the capital for the time being of the Company into several classes and to attach hereto respectively preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with regulations of the Company and to vary,*

*modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.'*

## **Proposed Clause:**

*“V. The Authorized Share Capital of the Company is INR 2,000,000,000/- (INR Two Hundred Crores Only) divided into 400,000,000 (Forty Crores Only) Equity Shares of INR 5/- (INR Five Only) each with a power to increase or reduce the capital for the time being of the Company into several classes and to attach hereto respectively preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.”*

The Sub-Division/Split of the Face Value of the Equity Shares would also require, *inter-alia*, appropriate adjustments due to Sub-Division/Split of Equity Shares of the Company to the Stock Options which are/ will be granted, unvested, vested but not exercised, exercised, lapsed/cancelled by the employees of the Company and its subsidiaries covered under the following plan(s):

- 1\ Employee Stock Option Plan I
- 2\ Employee Stock Option Award II
- 3\ Employee Stock Option Plan III
- 4\ Employee Stock Option Award IV
- 5\ Employee Stock Option Award V
- 6\ Employee Stock Option Award VI
- 7\ Employee Stock Option Award VII
- 8\ Employee Stock Option Award VIII
- 9\ Employee Stock Option Award IX
- 10\ Employee Stock Option Award X
- 11\ Persistent Employee Stock Option Scheme 2014 (PESOS 2014)
- 12\ Employee Stock Option Award XII Silver Jubilee Scheme
- 13\ Employee Stock Option Plan 2017 (ESOP 2017)

such that all the Stock Options outstanding on a Record Date to be determined by the Board of Directors of the Company, subject to the shareholders' approval, both vested and unvested including lapsed and forfeited Stock Options available for reissue, shall be proportionately adjusted.

The Board of Directors, therefore, recommends an Ordinary Resolution as set out in the accompanying Notice for the approval of the Members of the Company in accordance with the provisions of Section 61 and other applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Draft copy of the altered Memorandum of Association of the Company and other documents would be available for inspection without any fee by the Members at the Registered Office of the Company during business hours on any working day, excluding Saturday, up to the date of closure of remote e-voting period i.e., Friday, March 8, 2024.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned with or interested, financially or otherwise in the proposed resolution as set out in the accompanying Notice except to the extent of their shareholding in the Company, if any.

The Board of Directors of your Company recommends the Resolution no. 1 for the approval of the Members as an Ordinary Resolution.

## **Resolution Nos. 2 and 3**

The document of 'Persistent Employees Stock Option Scheme 2014 (PESOS 2014)' of the Company has a mention of fixed Grant Value i.e., Exercise Price of Options under PESOS 2014 at INR 10/- each being the Face Value of the Equity Shares. Considering the proposed Sub-Division/Split of the Face Value of the Equity Shares of the Company of INR 10/- each, into the denomination of INR 5/- each would require suitable amendment(s) to PESOS 2014 at appropriate places.

Further, it is proposed to give the effect of this changed Exercise Price mentioned in the document of PESOS 2014 to the present and future employees of the Company and its subsidiary(ies), by carrying out suitable adjustments to the Exercise Price and/or number of options.

Subject to the approval to Resolution No. 1, suitable changes with respect to the Face Value mentioned in PESOS 2014 are warranted.

Except for the mention of changed Face Value to INR 5/- mentioned in the document of PESOS 2014, no other changes are proposed in the document of PESOS 2014 through Resolution Nos. 2 and 3.

Features of PESOS 2014 shall remain the same as originally approved except as mentioned in the Explanatory Statement to the Resolution Nos. 2 to 5 and are reproduced again in terms of SEBI SBEB Regulations as an Annexure to the Explanatory Statement.

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 Regulations 6 and 7 of the SEBI (SBEB) Regulations, 2021.

The amended copy of the PESOS 2014 is available for inspection at the Company's Registered Office during office hours on all working days till the date of conclusion of e-voting.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in these resolutions, except to the extent they may be lawfully granted/to be granted Options under PESOS 2014.

The Board of Directors of your Company recommends the Resolutions at Item Nos. 2 and 3 for the approval of the Members as Special Resolutions.

## Resolution Nos. 4 and 5

The Company views Stock Options as an important instrument of long-term incentive that enables the Employees of the Company and its Subsidiaries to participate in the value they create and align their individual objectives with that of the Company. In view of the same, the Members of the Company at their Twenty Fourth Annual General Meeting of the Company held on July 26, 2014, approved PESOS 2014.

The objective of the PESOS 2014 is to provide incentives to the selected senior management to achieve the ambitious growth targets set by the Company motivating them to contribute towards the growth and profitability of the Company. The Company uses this Scheme to attract and retain the top talent in the organization who would contribute directly to the growth and profitability.

Over the last 3-4 years, the Company has displayed consistent industry leading growth coupled with improved profitability. This has resulted in several industry analysts' recognition such as ISG Global Index, Everest Group, IDC MarketScape, Gartner, Zinnov, Constellation Research, and HFS Horizons. Your Company's name was recently included in three key indices viz. MSCI India Index, S&P BSE 100 and S&P BSE SENSEX Next 50. Over this period, the market capitalization of the Company has significantly improved.

Establishing a reward system for senior management is pivotal for ensuring sustained performance and increased profits for the Company and better returns for its Shareholders. By offering competitive incentives, such as performance-based Stock Options, it is the endeavor of the Company to motivate its senior management to consistently drive profitable growth and make strategic decisions that contribute to long-term success of the Company.

A consistent and stable leadership team is better positioned to implement and oversee long-range plans without interruptions such as frequent leadership changes. This is not possible without a well-structured and consistent reward system for its leadership. Such consistent leadership leads to assurance of meeting the long-term growth plans resulting into investor confidence and increased shareholder value. Our belief is that it is better to provide continued incentives to those who are in the Company and delivering rather than be compelled to find new leaders just because we are constrained and not able to provide continued incentives.

With this background, the Board recommends a change in Clause 3.4 of the PESOS 2014 scheme to allow the Company to issue Stock Options equivalent to 1% of the Issued Share Capital in a continuous four-year period thereby encouraging employees to benefit from long term employment with the Company/its subsidiaries. Apart from this, no other changes are proposed in the Scheme through Resolution Nos. 4 and 5.

The SEBI has provided a guidance in the SBEB Regulations that the listed companies **may** offer up to 1% of the Issued Capital as a cap on grants to an individual Employee under the stock option schemes.

The listed companies, however, have been given the permission to make a suitable amendment to this cap in the company's best interest, subject to the Shareholders' approval.

As approved by the Shareholders at their Annual General Meeting held in July 2023, the vesting criteria and related details for PESOS 2014 are as follows:

Particulars	Details
Grant/Exercise Price	Price Equal to the Face Value of shares
Time-based vesting	Not Applicable
Performance-based vesting	100%
Revenue Growth Threshold	At least 12% per annum
EPS Growth Threshold	At least 12% per annum
Individual Performance Criteria	Applicable
Vesting period	Not less than one year and not more than five years from the date of grant of such options

The brief details of the PESOS 2014 Scheme are as follows:

Total Pool Size*	1,900,000 (One Million Nine Hundred Thousand) Options
Active Pool Size**	1,118,021 (One Million One Hundred and Eighteen Thousand and Twenty-One) Options
Percentage of the Active Pool Size as against the Issued Share Capital	1.45% of the Issued Share Capital
Current Stock Options available under the scheme of allocation	504,725 (Five Hundred and Four Thousand Seven Hundred and Twenty-Five) Options
No. of options equivalent to 1% of the Issued Share Capital	770,250 (Seven Hundred and Seventy Thousand Two Hundred and Fifty) Options
Average price of the Equity Share from the date of the Board Meeting approving this modification till the date of issuing this Notice	INR ~8,350.00
Fair Market Value of the options equivalent to 1% of the Issued Share Capital as per the above-average price	INR 6.43 Billion

\*Total pool of options (kitty) approved by the shareholders in this Scheme till date.

\*\*includes (1) options yet to be granted, (2) Options vested but not exercised, and (3) Options granted but not vested.



With this background, the Board now proposes the following amendment to clause 3.4 of PESOS 2014:

### **Original Clause in PESOS 2014:**

*“3.4 The number of options that may be offered to any specific Employee shall not exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options under PESOS 2014.”*

### **Proposed Clause:**

*“3.4 The number of options that may be offered to any specific Employee shall not exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company, during every continuous 4 (Four) years of their employment with the Company or any of its subsidiaries, at the time of grant of options under PESOS 2014.”*

The Board of Directors proposes to the Members to consider and approve the above amendment.

Features of PESOS 2014 shall remain the same as originally approved except as mentioned in the Explanatory Statement to the Resolution Nos. 2 to 5 and are reproduced again in terms of SEBI SBEB Regulations as an Annexure to the Explanatory Statement.

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 Regulations 6 and 7 of the SEBI (SBEB) Regulations, 2021.

The amended copy of the PESOS 2014 is available for inspection at the Company's Registered Office during office hours on all working days till the date of conclusion of e-voting.

Except Mr. Sandeep Kalra, Executive Director and Chief Executive Officer, no other director(s) and Key Managerial Personnel(s) or their relatives, are in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board of Directors of your Company recommends the Resolutions at Item no. 4 and 5 for the approval of the Members as Special Resolutions.

## Annexure to the Explanatory Statement

### a. Brief description of the Scheme

Keeping the aforesaid objectives in view, the scheme contemplates grant of Options to the eligible employees (which includes eligible Directors) of the Company and those of the subsidiary(ies) of the Company. Upon vesting of Options, the eligible employees earn a right (but not obligation) to exercise the vested Options within the exercise period and obtain Shares of the Company from the Trust subject to payment of exercise price and satisfaction of tax obligation, if any, arising thereon. The Trust administers the Scheme subject to the superintendence of the Committee.

### b. Total number of Options to be granted

The total number of Options to be granted (together with Options that may be granted to employees of any subsidiary companies) shall not exceed 1,900,000\* Options.

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 of Options and exercise price in such a manner that the total value of the Options granted under PESOS 2014 remains 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 / Shares shall be deemed to be adjusted.

\*This may undergo change subject to the approval by shareholders to the Resolution No. 1 in this Notice.

### c. Identification of classes of employees entitled to participate in the Scheme

Permanent employees of the Company, working in India or outside India, a director (whether whole-time or not) of the Company and those of the Company's subsidiary(ies) in or outside India are eligible to participate in the PESOS 2014.

Provided however that the following persons shall not be eligible to participate in PESOS 2014:

- \ an employee who is a "Promoter" or belongs to the "Promoter Group" as defined in the SBEB Regulations; or
- \ a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company; or
- \ Independent Directors

The Company intends to continue with the current definition of 'Employee' under the Scheme.

### d. Requirements of vesting and period of vesting

All the Options granted on any date shall vest not earlier than a minimum of 1 (one) year and not later than a maximum of 5 (five) 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 ceilings. Vesting of Options would be subject to

continued employment with the Company or its Holding or Subsidiary Company, as the case may be, and the attainment of specific performance parameters.

In addition to this, the Committee may also specify certain performance parameters, detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest.

The Vesting Criteria approved by the Shareholders for the fresh pool of Options under PESOS 2014 effective from July 18, 2023, is as below:

- a. 100% of the Options granted shall have performance-based vesting.
- b. The other vesting conditions are provided in the table for vesting criteria mentioned in the Explanatory Statement for Item Nos. 4 and 5 above.

The attainment of performance parameters would be a mandatory condition for the vesting of Options under the Scheme as determined by the Committee from time to time. The Performance parameters will include revenue growth, earnings growth, individual performance, etc. The Committee may vary the weightages depending on business requirements.

**e. Maximum period within which the Options shall be vested**

All the Options granted after the date of this resolution shall vest not later than a maximum of 5 (five) years from the date of grant of Options as stated above.

**f. Exercise price or pricing formula**

The exercise price shall be equal to the face value of shares i.e. INR 10\* per Option.

\*This may undergo change subject to the approval by shareholders of resolutions in Item Nos. 2 and 3 to this Notice.

**g. Exercise period and the process of Exercise**

The exercise period would be 1 (one) year from the date of vesting of respective Options. The Shares transferred out of exercise of vested Options will not be subject to any lock-in period after such exercise.

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 in such format as may be prescribed by the Committee from time to time. Exercise of Options shall be entertained only after payment of the requisite exercise price and satisfaction of applicable taxes by the Option grantee. The Options shall lapse if not exercised within the specified exercise period.

Subject to the maximum exercise period approved by the shareholders of the Company from the date of Vesting of Options except the cases of termination of employment due to death and Permanent Incapacity in which case the exercise period shall be six months from the date of incurring such eventuality.

**h. Appraisal and eligibility of employees under the Scheme**

The appraisal process for determining the eligibility would be determined by the Committee from time to time based on broad criteria for appraisal and selection such as parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate

governance, Company's values, etc. As regard the new joinees especially appointed in the senior cadre, the Committee shall have the discretion to decide the criteria for ascertaining the eligibility for grant of Options. All Employees of the Company and its Subsidiary Companies are eligible for being granted employee stock options under PESOS 2014. The specific Employees to whom the Options would be granted and their eligibility criteria would be determined by the Compensation and Remuneration Committee.

The Scheme shall be applicable to the Employees of the Company, its Subsidiary companies in India and abroad and may be granted to the Employees and Directors of the Company, its subsidiaries, as determined by the Nomination and Remuneration Committee at its own discretion.

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

The number of Options that may be offered to any specific Employee shall not exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant of Options under PESOS 2014.

However, this said cap of 1% may undergo change subject to the shareholders approval to the resolutions in Item Nos. 4 and 5 to this Notice.

**j. Maximum quantum of benefits to be provided per employee under the Scheme**

Apart from the grant of Options as stated above, no monetary benefits are contemplated under the PESOS 2014 Scheme.

**k. Route of implementation**

PESOS 2014 is being implemented and administered through the Trust of the Company.

**l. Source of acquisition of Shares under the Scheme**

PESOS 2014 contemplates the acquisition of Shares from fresh issue and / or secondary market.

**m. Amount of loan to be provided for implementation of the Scheme by the Company to the Trust, its tenure, utilisation, repayment terms, etc.**

There was no specific disclosure as per requirements of the then-prevailing Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. However, the Company has not given any loan to the Trust for PESOS 2014 till date. Further, the Company does not intend to grant any loan to the Trust for acquiring Shares through allotment / secondary purchase required for this scheme.

**n. Maximum percentage of secondary acquisition under the Scheme**

The number of Shares that may be acquired through the secondary market should not exceed 2% per annum of the paid-up equity capital as at the end of the financial year and subject to an overall cap of 5% of the paid-up equity capital as at the end of the financial year immediately prior to the year in which shareholders approval as mentioned in clause 3.1 above is obtained.

**o. Accounting and disclosure policies**

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other statutory authority, from time to time, including the disclosure requirements prescribed therein, in compliance with relevant provisions of SEBI SBEB Regulations.

**p. Method of Option valuation**

The Company shall adopt 'Fair Value Method' for valuation of Options as prescribed under IND-AS accounting standard or under other any Accounting Standard, as applicable, notified by competent 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 recognised 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.

**r. Period of lock-in**

The Shares issued pursuant to the exercise of vested Options shall not be subject to any lock-in period restriction in general. Usual restrictions as may be prescribed under applicable laws including that under the code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended, shall apply.

**s. Terms & conditions for buyback, if any, of specified securities / Options covered granted under the Plan**

Subject to the provisions of the then prevailing applicable laws, the Board/Committee shall determine the procedure for buy-back of the specified securities/ Options if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.

## About Persistent

With over 23,000 employees located in 20 countries, Persistent Systems (BSE & NSE: PERSISTENT) is a global services and solutions company delivering Digital Engineering and Enterprise Modernization. We work with the industry leaders including 14 of the 30 most innovative companies as identified by BCG, 8 of the top 10 largest banks in the US and India, and numerous innovators across the healthcare and software ecosystems. As a participant of the United Nations Global Compact, Persistent is committed to aligning strategies and operations with universal principles on human rights, labour, environment, and anti-corruption, as well as take actions that advance societal goals.

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