

Deloitte Haskins & Sells LLP
Chartered Accountants
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ICC Trade Tower
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Pune – 411 016
Maharashtra, INDIA

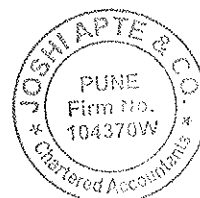
Joshi Apte & Co.
Chartered Accountants
“Dwarka”, First Floor
2 Phatak Baug Society
999 Navi Peth, Pune – 411 030

Independent Auditors' Report

TO,
THE BOARD OF DIRECTORS OF
PERSISTENT SYSTEMS LIMITED

1. We have audited the accompanying Statement of Consolidated Financial Results of **PERSISTENT SYSTEMS LIMITED** (“the Company”), and its subsidiaries (the Company and its subsidiaries constitute “the Group”) for the quarter and nine months ended December 31, 2014 (“the Statement”), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures regarding ‘Public Shareholding’ and ‘Promoter and Promoter Group Shareholding’ referred to in paragraph 5 below. This Statement has been prepared on the basis of the related interim condensed consolidated financial statements, which is the responsibility of the Company’s Management and has been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related interim condensed consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS-25) on Interim Financial Reporting specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The condensed consolidated financial statements includes financial statements of all the subsidiaries which reflect total assets (net) of Rs. 2,197.27 Million as at December 31, 2014, total revenue (net) of Rs. 2,408.59 Million and Rs. 6,574.20 Million and total net profit after tax of Rs. 480.62 Million and Rs. 969.08 Million respectively for the quarter and nine months ended, which have been audited by M/s Joshi Apte & Co. and not by Deloitte Haskins & Sells LLP.

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4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- a. includes the results of the following entities:
 - 1. Persistent Systems, Inc.
 - 2. Persistent Systems Pte Limited
 - 3. Persistent Systems France SAS
 - 4. Persistent Telecom Solutions, Inc.
 - 5. Persistent Systems Malaysia Sdn. Bhd.
 - 6. CloudSquads Inc.
 - b. is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges; and
 - c. gives a true and fair view in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Group for the quarter and nine months ended December 31, 2014.
5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed for the quarter and nine months ended December 31, 2014 of the Statement, from the details furnished by the Management.

For Deloitte Haskins & Sells LLP.
ICAI Firm Registration No.: 117366W/W-100018
Chartered Accountants

per Hemant M. Joshi
Partner
Membership No.: 038019
Place: Pune

Date: January 24, 2015



For Joshi Apte & Co.
ICAI Firm Registration No: 104370W
Chartered Accountants

per C. K. Joshi
Partner
Membership No.: 030428
Place: Pune

Date: January 24, 2015.

