

Akshat Corporation (dba Rgen Solutions)**CONDENSED BALANCE SHEET AS AT SEPTEMBER 30, 2017**

	Note	As at September 30, 2017 (In ₹)	As at September 30, 2016 (In ₹)	As at March 31, 2017 (In ₹)
ASSETS				
Non-current assets				
Property, Plant and Equipment	5.1	114	117	113
Deferred tax assets (net)	6	4,950,119	1,744,385	2,170,076
		4,950,233	1,744,502	2,170,189
Current assets				
Financial assets				
-Trade receivables	7	161,899,965	73,327,998	102,922,170
-Cash and cash equivalents	8	7,530,094	29,866,790	4,348,772
Other current financial assets	9	-	3,438,416	-
Other current assets	10	251,889	985,119	128,170
		169,681,948	107,618,323	107,399,112
TOTAL		174,632,181	109,362,825	109,569,301
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	4	-	-	-
Other equity		68,471,714	46,042,217	60,514,340
		68,471,714	46,042,217	60,514,340
LIABILITIES				
Current Liabilities				
Financial liabilities				
-Trade payables	11	13,387,127	15,840,416	12,912,123
-Other financial liabilities	12	80,569,833	-	27,137,004
Provision	13	5,406,634	3,608,951	3,635,930
Other current liabilities	14	1,431,707	24,522,289	-
Current tax liabilities (net)		5,365,166	19,348,952	5,369,904
		106,160,467	63,320,608	49,054,961
TOTAL		174,632,181	109,362,825	109,569,301

Summary of significant accounting policies 3

The accompanying notes form an integral part of the condensed financial statements

As per our report of even date

For Joshi Apte &Co.,
ICAI Firm registration no. 104370W
Chartered Accountants

For and on behalf of the Board of Directors of
Akshat Corporation (dba RGen Solutions)

per C.K. Joshi
Partner
Membership No.030428

Dr. Anand Deshpande
Director

Thomas Klein
Director

Place: Pune
Date : October 14, 2017

Place: Pune
Date : October 14, 2017

Place: Santa Clara
Date : October 14, 2017

CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2017

	Note	For the quarter ended		For the half year ended		For the year ended
		September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
		(In ₹)	(In ₹)	(In ₹)	(In ₹)	(In ₹)
Income						
Revenue from operations (net)	15	29,715,671	56,500,270	66,280,786	163,765,529	253,914,949
Total income (A)		29,715,671	56,500,270	66,280,786	163,765,529	253,914,949
Expenses						
Employee benefits expense	16.1	21,047,235	48,286,330	59,034,008	115,788,654	200,873,327
Cost of technical professionals	16.2	-	2,830,722	-	22,047,991	22,708,956
Depreciation and amortization expense	5.1	-	-	-	-	-
Other expenses	17	950,756	4,693,271	2,535,279	12,806,991	14,679,019
Total expenses (B)		21,997,991	55,810,323	61,569,287	150,643,636	238,261,302
Profit/(Loss) before tax (A - B)		7,717,680	689,947	4,711,499	13,121,893	15,653,647
Tax expense						
Current tax		32,209	(778,446)	32,209	1,980,844	-
Tax charge in respect of earlier years		-	-	-	-	(11,875,599)
Deferred tax Charge/(Credit)		(986,719)	(937,989)	(2,725,426)	(213,841)	(496,707)
Total tax expense		(954,510)	(1,716,435)	(2,693,217)	1,767,003	(12,372,306)
Profit/(Loss) for the quarter/year/period (C)		8,672,190	2,406,382	7,404,716	11,354,890	28,025,953
Other comprehensive income						
Items that will not be reclassified to profit or loss (D)						
- Remeasurements of the defined benefit liabilities / (asset)		-	(886,809)	-	398,591	-
- Tax effect on remeasurements of the defined benefit liabilities / (asset)		-	463,232	-	26,190	-
		-	(423,577)	-	424,781	-
Items that will be reclassified to profit or loss (E)						
- Exchange differences in translating the financial statements of foreign operations		806,949	(618,944)	552,658	133,476	(1,666,873)
		806,949	(618,944)	552,658	133,476	(1,666,873)
Total comprehensive income for the quarter/year (C) + (D) + (E)		9,479,139	1,363,861	7,957,374	11,913,147	26,359,080
Earnings per equity share [nominal value of Share \$ Nil]						
Basic (In ₹)		8,672	2,406	8,672	11,355	28,026
Diluted (In ₹)		8,672	2,406	8,672	11,355	28,026
Summary of significant accounting policies						
3						

The accompanying notes form an integral part of the condensed financial statements

As per our report of even date

For Joshi Apte & Co.,
Firm registration no. 104370W
Chartered Accountants

For and on behalf of the Board of Directors of
Akshat Corporation (dba RGen Solutions)

per C.K. Joshi
Partner
Membership No.030428

Dr. Anand Deshpande
Director
Thomas Klein
Director

Place: Pune
Date : October 14, 2017

Place: Pune
Date : October 14, 2017
Place: Santa Clara
Date : October 14, 2017

A. Equity share capital

(Refer Note: 4)

(In ₹)

Balance as at April 1, 2017	Changes in equity share capital during the year	Balance as at September 30,2017
-	-	-

(In ₹)

Balance as at April 1, 2016	Changes in equity share capital during the year	Balance as at September 30,2016
-	-	-

(In ₹)

Balance as at April 1, 2016	Changes in equity share capital during the year	Balance as at March 31,2017
-	-	-

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Akshat Corporation (dba Rgen Solutions)

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

B. Other equity

(In ₹)

Particulars	<u>Reserves and surplus</u>	<u>Items of other comprehensive income</u>		Total
	Retained earnings	Exchange differences on translating the financial statements of foreign operations	Remeasurements of the defined benefit liabilities / asset	
Balance as at April 1, 2017	56,626,863	(1,373,073)	5,260,550	60,514,340
Net profit for the period / year	7,404,716	-	-	7,404,716
Change during the period	-	552,658	-	552,658
Balance at September 30, 2017	64,031,579	(820,415)	5,260,550	68,471,714

(In ₹)

Particulars	<u>Reserves and surplus</u>	<u>Items of other comprehensive income</u>		Total
	Retained earnings	Exchange differences on translating the financial statements of foreign operations	Remeasurements of the defined benefit liabilities / asset	
Balance as at April 1, 2016	28,600,910	293,800	5,260,550	34,155,260
Net profit for the period / year	11,354,890	133,476	398,591	11,886,957
Change during the period	-	-	-	-
Balance at September 30, 2016	39,955,800	427,276	5,659,141	46,042,217

(In ₹)

Particulars	<u>Reserves and surplus</u>	<u>Items of other comprehensive income</u>		Total
	Retained earnings	Exchange differences on translating the financial statements of foreign operations	Remeasurements of the defined benefit liabilities / asset	
Balance as at April 01, 2016	28,600,910	293,800	5,260,550	34,155,260
Net profit for the year	28,025,953	-	-	28,025,953
Change during the year	-	(1,666,873)	-	(1,666,873)
Balance at March 31, 2017	56,626,863	(1,373,073)	5,260,550	60,514,340

The accompanying notes form an integral part of the condensed financial statements

As per our report of even date

For Joshi Apte & Co.,
ICAI Firm registration no. 104370W
Chartered Accountants

For and on behalf of the Board of Directors of
Akshat Corporation (dba RGen Solutions)

per C.K. Joshi
Partner
Membership No.030428

Dr. Anand Deshpande Thomas Klein
Director Director

Place: Pune
Date : October 14, 2017

Place: Pune Place: Santa Clara
Date : October 14, 2017 Date : October 14, 2017

Akshat Corporation (dba Rgen Solutions)

NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

1. Nature of operations

Akshat Corporation (dba RGen Solutions) (The Company) is a wholly owned subsidiary of Persistent Systems Inc. The Company is specialized in software product, services and technology innovation.

2. Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments which have been measured at fair value. The accounting policies are consistently applied by the Company during the period/year and are consistent with those used in previous period/year.

Statement of compliance

These financial statements have been prepared in accordance with Ind AS 34 Interim Financial Reporting as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013

3. Summary of significant accounting policies

A. Accounting year

The accounting year of the Company is from April 01 to March 31. These financial statements have been prepared only for the purpose of consolidation as per Indian accounting standard 110.

B. Functional currency

The company's functional currency is the U.S. Dollar

C. Use of estimates

The preparation of the condensed financial statements in conformity with Indian Accounting Standard requires the management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

i. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

ii. Income taxes

The Company's major tax jurisdictions is United States of America, Significant judgements are involved in determining the provision for income taxes

iii. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of depreciation is derived after determining an estimate of an

NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

iv. Provisions

Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates

v. Internally generated Intangible assets

During the year, the management continued to assess the recoverability of the Group's internally generated intangible assets including those under development. Based on the current revenue generated from these lines of business, expected future revenue and the basis of amortization followed, the management considers the carrying value of the these intangible assets as recoverable.

D. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and impairment losses, if any. The cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready to be put to use.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

E. Intangible assets

a) Acquired intangible assets

Intangible assets including software licenses of enduring nature and acquired contractual rights acquired separately are measured on initial recognition at cost. Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Internally generated intangible assets, excluding capitalized development costs are reflected as expenditure in the statement of profit and loss in the reporting year in which these are incurred.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Akshat Corporation (dba Rgen Solutions)

NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

b) Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate:

- technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the asset and use or sell it;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Such capitalized expenditure is reflected as intangibles under development.

Following the initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization of internally generated intangible asset commenced when the development is complete and the asset is available for use.

F. Depreciation and amortization

Depreciation on Property, Plant and Equipment is provided using the Straight Line Method ('SLM') over the useful lives of the assets estimated by the management.

The management estimates the useful lives for the Property, Plant and Equipment as follows:

Assets	Useful lives
Computers	3 years
Computers - Servers and networks*	3 years
Office equipments	5 years
Furniture and fixtures*	5 years

*For these classes of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013

Individual assets whose cost does not exceed ₹ 5,000 are fully depreciated in the year of acquisition. Intangible assets are amortized on a straight line basis over their estimated useful lives commencing from the day the asset is made available for use.

G. Impairment of Property, Plant and Equipment and other intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

H. Borrowing Cost:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings. Borrowing costs directly attributable to the acquisition, construction or

NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the cost of the respective asset. All other borrowing costs are expensed in the year in which they occur.

I. Financial instruments

i) Financial assets

Initial recognition and measurement

Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified as:

- **Financial assets at amortized cost**

Financial instruments that are held within a business model whose objective is to hold assets for collecting contractual cash flows and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at amortized cost using the effective interest rate method. The change in measurements are recognized as finance income in the statement of profit and loss.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the assets' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding are subsequently measured at fair value. Fair value movements are recognized in other comprehensive income.

- **Financial assets at fair value through profit or loss (FVTPL)**

Any financial instrument which does not meet the criteria for categorization as financial instruments at amortized cost or as FVTOCI, is classified as financial instrument at FVTPL. Financial instruments included within the FVTPL category are subsequently measured at fair value with all changes recognized in the statement of profit and loss.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For the purpose of subsequent measurement, financial liabilities are classified as:

NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

- Financial liabilities at amortized cost

Financial liabilities such as loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. The change in measurements are recognized as finance costs in the statement of profit and loss.

- Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss if the recognition criteria as per Ind AS 109 are satisfied. Gains or losses on liabilities held for trading are recognized in statement of profit and loss. Fair value gains or losses on liabilities designated as FVTPL attributable to changes in own credit risk are recognized in other comprehensive income. All other changes in fair value of liabilities designated as FVTPL are recognized in the statement of profit and loss. The Company has not designated any financial liability as at FVTPL.

iii) Impairment

i) Financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortized cost and financial assets that are debts instruments and are measured at fair value through other comprehensive income (FVTOCI). ECL is the difference between contractual cash flows that are due and the cash flows that the Company expects to receive, discounted at the original effective interest rate.

For trade receivables, the Company recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ii) Non-financial assets

The carrying amounts of Property, Plant and Equipment and Goodwill are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount.

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial period / year end even if there is no indication that the asset is impaired.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

J. Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

i. Income from software licenses and services

Revenue from time and material engagements is recognized on time basis in accordance with the terms of the contracts.

Revenue from fixed price engagements is recognized in accordance with the proportionate completion method as per terms of contracts.

Revenue from licensing of software is recognized upon delivery.

Revenue from maintenance contracts and subscriptions is recognized on a pro-rata basis over the period of the contract.

Revenue from royalty is recognised on sale of products in accordance with the terms of the relevant agreement.

Unbilled revenue represents revenue recognized in relation to work done on time and material projects and fixed price projects until the balance sheet date for which billing has not taken place.

Unearned revenue represents the billing in respect of contracts for which the revenue is not recognized as per the terms of contract.

The company collects sales tax on behalf of the government and, therefore, these are not economic benefits following to the company. Hence, they are excluded from revenue.

ii. Interest

Income from interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "Other income" in the statement of Profit and Loss.

iii. Dividends

Income from dividend is recognized when the Company's right to receive payment is established by the Balance Sheet date. Dividend from subsidiaries is recognized even if such dividend is declared after the Balance Sheet date but pertains to period on or before the date of Balance Sheet as per the requirement of Schedule III of the Companies Act, 2013.

K. Foreign currency transaction and translation

i. Initial recognition

Foreign currency transactions are recorded in the functional currency viz. USD by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency on the date of the transaction.

ii. Conversion

The transactions are in US Dollars, which are converted for reporting in Indian currency on the following basis. The equity share capital is translated on the date of transaction and fixed assets and investments are translated at the closing rate as at the date of the balance sheet. All current assets and current liabilities are translated at the closing rate as at the date of the balance sheet. All Income and Expense items are converted at weighted average of Inter Bank Selling Rate for the year.

The exchange difference arising out of the period/year-end conversion is translated to Currency Translation Reserve and the said amount is shown under the head "Other Equity".

NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

iii. Settlement:

Revenue, expenses denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit or loss for the period/year in which the transaction is settled.

L. Retirement and other employee benefits

i. Gratuity

The Company is not liable to pay gratuity as per the payment of Gratuity Act 1972.

ii. Superannuation

The Company does not have any superannuation scheme.

iii. Provident fund

The Company is not liable to pay Provident Fund as per the Provident Fund Act 1952.

iv. Leave encashment

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided

for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

The company presents the entire leave encashment liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

M. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the United States of America's tax laws. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In situation where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Akshat Corporation (dba Rgen Solutions)

NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

N. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand, bank deposits and short-term investments with an original maturity of three months or less.

O. Leases

Where the Company is a lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

P. Earnings per share (EPS)

The earnings considered in ascertaining EPS comprise the amount attributable to Equity Shareholders. The number of shares used in computing the basic earnings per share is the weighted average number of shares outstanding during the year.

Q. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

R. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

The Company does not recognize a contingent liability but discloses its existence in the financial statements.

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

4. Share capital

	As at September 30, 2017 (In ₹)	As at September 30, 2016 (In ₹)	As at March 31, 2017 (In ₹)
Authorised			
2,000 Common Shares at no par value each.	US \$ 0	US \$ 0	US \$ 0
	US \$ 0	US \$ 0	US \$ 0
Issued, subscribed and paid-up			
1,000 Common Shares at no par value paid up.	-	-	-
All shares are held by Holding Company viz. Persistent Systems Inc.	-	-	-

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:
 There is no movement in the shares outstanding at the beginning and at the end of the reporting period

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS
5.1 Property, Plant and Equipment

	(In ₹)	
	Computers	Total
Gross block		
As at April 1, 2017	276,659	276,659
Additions	-	-
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	2,047	2,047
As at September 30, 2017	<u>278,706</u>	<u>278,706</u>
Depreciation and amortization		
As at April 1, 2017	276,546	276,546
Charge for the period	-	-
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	2,046	2,046
As at September 30, 2017	<u>278,592</u>	<u>278,592</u>
Net block		
As at September 30, 2017	<u>114</u>	<u>114</u>
As at March 31, 2017	<u>113</u>	<u>113</u>
	(In ₹)	
	Computers	Total
Gross block		
As at April 1, 2016	282,599	282,599
Additions	-	-
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	1,547	1,547
As at September 30, 2016	<u>284,146</u>	<u>284,146</u>
Depreciation and amortization		
As at April 1, 2016	282,483	282,483
Charge for the period	-	-
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	1,546	1,546
As at September 30, 2016	<u>284,029</u>	<u>284,029</u>
Net block		
As at September 30, 2016	<u>117</u>	<u>117</u>
	(In ₹)	
	Computers	Total
Gross block		
As at April 1, 2016	282,599	282,599
Additions	-	-
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	(5,940)	(5,940)
As at March 31, 2017	<u>276,659</u>	<u>276,659</u>
Depreciation and amortization		
As at April 1, 2016	282,483	282,483
Charge for the year	-	-
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	(5,937)	(5,937)
As at March 31, 2017	<u>276,546</u>	<u>276,546</u>
Net block		
As at March 31, 2017	<u>113</u>	<u>113</u>
As at March 31, 2016	<u>116</u>	<u>116</u>

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS
6. Deferred tax assets (Net)

	As at September 30, 2017 (In ₹)	As at September 30, 2016 (In ₹)	As at March 31, 2017 (In ₹)
Deferred tax assets (net)			
Provision for doubtful debts	109,433	517,388	108,225
Difference in depreciation as per books of US tax laws	1,619,310	-	18,764
Provision for leave encashment	595,016	1,226,997	1,236,244
Others	2,626,360	-	806,843
	4,950,119	1,744,385	2,170,076

*The company along with its holding company have decided to opt for filing consolidated income tax return in compliance with the applicable tax regulations in the United States from financial year 2014-15. This enables the company to set off its business losses against the profits of the holding company. In view of the virtual certainty of the profits in the holding company, full deferred tax asset is recognized in the financial statements of the company.

7. Trade receivables

	As at September 30, 2017 (In ₹)	As at September 30, 2016 (In ₹)	As at March 31, 2017 (In ₹)
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured (considered good)	-	-	-
Unsecured (considered doubtful)	-	-	-
Less : Provision for doubtful debts	-	-	-
Others			
Unsecured (considered good)	161,899,965	73,327,998	102,922,170
Unsecured (considered doubtful)	-	1,521,791	318,284
	161,899,965	74,849,789	103,240,454
Less : Provision for doubtful debts	-	1,521,791	318,284
	161,899,965	73,327,998	102,922,170

8. Cash and bank balance

	As at September 30, 2017 (In ₹)	As at September 30, 2016 (In ₹)	As at March 31, 2017 (In ₹)
Cash and cash equivalents as presented in cash flow statement			
Balances with banks			
On current account	7,530,094	29,866,790	4,348,772
	7,530,094	29,866,790	4,348,772

9. Other current financial assets

	As at September 30, 2017 (In ₹)	As at September 30, 2016 (In ₹)	As at March 31, 2017 (In ₹)
Unbilled revenue	-	3,438,416	-
	-	3,438,416	-

10. Other current assets

	As at September 30, 2017 (In ₹)	As at September 30, 2016 (In ₹)	As at March 31, 2017 (In ₹)
Advances recoverable in cash or kind or for value to be received	251,889	985,119	128,170
	251,889	985,119	128,170

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS
11. Trade payables

	As at September 30, 2017 (In ₹)	As at September 30, 2016 (In ₹)	As at March 31, 2017 (In ₹)
Trade payables for goods and services	13,387,127	15,840,416	12,912,123
	13,387,127	15,840,416	12,912,123

12. Other current financial liabilities

	As at September 30, 2017 (In ₹)	As at September 30, 2016 (In ₹)	As at March 31, 2017 (In ₹)
Advances from related parties			
-Persistent Systems Inc.	80,460,863	24,467,777	27,035,839
-Persistent Systems Limited	108,970	54,512	101,165
	80,569,833	24,522,289	27,137,004

13. Current Liabilities: Provisions

	As at September 30, 2017 (In ₹)	As at September 30, 2016 (In ₹)	As at March 31, 2017 (In ₹)
Provision for employee benefits			
- Leave encashment	1,743,542	3,608,951	3,635,930
- Other employee benefits - Short term provisions	3,663,092	-	-
	5,406,634	3,608,951	3,635,930

14. Other current liabilities

	As at September 30, 2017 (In ₹)	As at September 30, 2016 (In ₹)	As at March 31, 2017 (In ₹)
Advance from customers	1,431,707	-	-
	1,431,707	-	-

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

15. Revenue from operations

	For the quarter ended		For the half year ended		For the year ended
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
	(In ₹)	(In ₹)	(In ₹)	(In ₹)	(In ₹)
Software services	29,715,671	56,500,270	66,280,786	163,765,529	253,914,949
	29,715,671	56,500,270	66,280,786	163,765,529	253,914,949

16. Personnel expenses

	For the quarter ended		For the half year ended		For the year ended
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
	(In ₹)	(In ₹)	(In ₹)	(In ₹)	(In ₹)
16.1 Employee benefit expenses					
Salaries wages and bonus	21,047,240	46,096,813	59,027,419	113,599,137	198,608,421
Staff welfare and benefits	-	2,189,517	6,589	2,189,517	2,264,906
	21,047,240	48,286,330	59,034,008	115,788,654	200,873,327
16.2 Cost of technical, professionals					
Technical professionals - Related parties	-	245,814	-	4,235,948	4,249,465
Technical professionals - Others	-	2,584,908	-	17,812,043	18,459,491
	-	2,830,722	-	22,047,991	22,708,956
	21,047,240	51,117,052	59,034,008	137,836,645	223,582,283

17. Other expenses

	For the quarter ended		For the half year ended		For the year ended
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
	(In ₹)	(In ₹)	(In ₹)	(In ₹)	(In ₹)
Traveling and conveyance	23,140	1,441,379	198,216	1,720,818	2,951,127
Electricity expenses	-	-	-	-	-
Internet link expenses	-	-	-	-	-
Communication expenses	-	3,514	1,124	16,006	23,085
Recruitment expenses	-94,758	112,136	-	822,164	923,457
Purchase of software licenses and support expenses	-	22,097	-	44,152	44,293
Provision for doubtful debts/(Provision for doubtful debts written back)(net)	-	1,430	-	1,528,739	709,217
Rent	-	-	-	-	-
Rates and taxes	-96,589	998,074	456,108	3,330,011	3,939,135
Legal and professional fees	282,425	15,765	443,578	42,473	56,210
Advertisement and sponsorship fees	-	87	-	93,204	93,502
Auditors' remuneration	7,436	7,735	14,881	15,456	31,011
Books, memberships, subscriptions	49,342	20,821	49,342	123,224	130,053
Discount allowed	-	2,053,662	-	4,863,962	5,560,083
Processing fees	771,075	-	1,347,612	-	-
Miscellaneous expenses	8,680	16,571	24,418	206,782	217,846
	950,751	4,693,271	2,535,279	12,806,991	14,679,019

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

18. Earnings per share

Particulars		For the quarter ended		For the half year ended		For the year ended
		September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
		(In ₹)	(In ₹)	(In ₹)	(In ₹)	(In ₹)
Basic earnings per share						
<u>Numerator</u>						
Net Profit / (loss) after tax	A	8,672,190	2,406,382	7,404,716	11,354,890	28,025,953
<u>Denominator</u>						
Weighted average number of equity share	B	1,000	1,000	1,000	1,000	1,000
Basic/diluted earnings per share (Face value of US \$ Nil each)	A / B	8,672	2,406	7,405	11,355	28,026

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Akshat Corporation (dba Rgen Solutions)

NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

19. Contingent liability

The Company does not have any contingent liability as on September 30, 2017 (corresponding period/ Previous year ₹ Nil).

20. Previous period/year comparatives

Previous period/year figures have been regrouped wherever necessary to conform with the current period/year classification.

As per our report of even date

**For Joshi Apte &Co.,
ICAI Firm registration no. 104370W
Chartered Accountants**

**For and on behalf of the Board of Directors
Akshat Corporation (dba RGen Solutions)**

per C.K. Joshi
Partner
Membership No.030428
Place: Pune
Date : October 14th , 2017

Dr. Anand Deshpande
Director
Place: Pune
Date : October 14th , 2017

Thomas Klein
Director
Place: Santa Clara
Date: October 14th , 2017
