

Valista Limited (in liquidation)

CONDENSED BALANCE SHEET AS AT DECEMBER 31, 2017

	Notes	As at December 31, 2017 (In ₹)	As at December 31, 2016 (In ₹)	As at March 31, 2017 (In ₹)
ASSETS				
Non-current assets				
Financial assets				
- Investments	5	5,673	5,312	5,144
- Loans	6	197,869,004	191,811,681	185,966,300
		197,874,677	191,816,993	185,971,444
Current assets				
Financial assets				
- Trade receivables	7	-	19,780,155	5,951,826
- Cash and cash equivalents	8	31,429,893	6,164,651	22,091,223
- Other financial assets	9	70,310	2,085,889	2,056,157
Other current assets	10	160,310	750,427	1,199,730
		31,660,513	28,781,122	31,298,936
TOTAL		229,535,190	220,598,115	217,270,380
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	4	36,253,449	36,253,449	36,253,449
Other equity		189,814,928	181,900,269	177,320,637
		226,068,377	218,153,718	213,574,086
LIABILITIES				
Current liabilities				
Financial liabilities				
- Trade payables	11	2,610,730	2,305,012	3,367,270
Other current liabilities	12	856,083	139,385	329,024
		3,466,813	2,444,397	3,696,294
TOTAL		229,535,190	220,598,115	217,270,380
Summary of significant accounting policies	3			

The accompanying notes are 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
Valista Limited (in liquidation)

per C.K. Joshi
Partner
Membership No. 030428

Sunil Sapre
Director

Narayanan Rajagopalan
Director

Place: Pune
Date : January 25, 2018

Place: Pune
Date : January 25, 2018

Place: Pune
Date : January 25, 2018

Valista Limited (in liquidation)

CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017.

	Notes	For the quarter ended		For nine months ended		For the year ended
		December 31, 2017 (In ₹)	December 31, 2016 (In ₹)	December 31, 2017 (In ₹)	December 31, 2016 (In ₹)	March 31, 2017 (In ₹)
Income						
Revenue from operations	13	20,432	3,125,507	1,468,113	10,790,410	13,600,431
Other income	14	444,525	3,503,451	4,660,786	5,688,139	7,825,876
Total income (A)		464,957	6,628,958	6,128,899	16,478,549	21,426,307
Expenses						
Employee benefits expense	15.1	-	-	-	-	-
Cost of technical professionals	15.2	10,777	2,380,730	774,368	8,804,419	10,739,769
Other expenses	16	3,554,665	(3,728,338)	12,630,740	435,970,388	431,658,092
Total expenses (B)		3,565,442	(1,347,608)	13,405,108	444,774,807	442,397,861
Profit/(loss) before tax (A - B)		(3,100,485)	7,976,566	(7,276,209)	(428,296,258)	(420,971,554)
Tax expense						
Current tax		1,917,091	(1,069)	1,906,146	106,829	105,613
Deferred tax charge / (credit)		-	-	-	-	-
Total tax expense		1,917,091	(1,069)	1,906,146	106,829	105,613
Net profit/(loss) for the period / year (C)		(5,017,576)	7,977,635	(9,182,355)	(428,403,087)	(421,077,167)
Other comprehensive income						
Items that will not be reclassified to profit or loss (D)						
- Remeasurements of the defined benefit liabilities / (asset)		-	-	-	-	-
- Tax effect on remeasurements of the defined benefit liabilities / (asset)		-	-	-	-	-
Items that may be reclassified to profit or loss (E)						
- Exchange differences in translating the financial statements of foreign operations		(1,751,601)	(13,027,405)	21,676,646	(18,534,144)	(30,439,696)
Total other comprehensive income for the period/year (D) + (E)		(1,751,601)	(13,027,405)	21,676,646	(18,534,144)	(30,439,696)
Total comprehensive income for the period/year (C) + (D) + (E)		(6,769,177)	(5,049,770)	12,494,291	(446,937,231)	(451,516,863)
Earnings per equity share						
[Nominal value of share EUR 0.0125 (Previous period/year: EUR 0.0125)]	17					
Basic (In ₹)		(0.13)	0.20	(0.23)	(10.80)	(10.61)
Diluted (In ₹)		(0.13)	0.20	(0.23)	(10.80)	(10.61)
Summary of significant accounting policies	3					

The accompanying notes are 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
Valista Limited (in liquidation)

per C.K. Joshi
Partner
Membership No. 030428

Sunil Sapre
Director
Narayanan Rajagopalan
Director

Place: Pune
Date : January 25, 2018

Place: Pune
Date : January 25, 2018
Place: Pune
Date : January 25, 2018

Valista Limited (in liquidation)**CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2017**

	For nine months ended		For the year ended
	December 31, 2017 (In ₹)	December 31, 2016 (In ₹)	March 31, 2017 (In ₹)
Cash flow from operating activities			
Profit before tax	(7,276,209)	(428,296,258)	(420,971,554)
Adjustments for:			
Interest income	(4,649,751)	(5,688,139)	(7,825,876)
Loss on sale of investment	-	413,770,712	409,059,474
Exchange (gain)/loss on translation of foreign currency cash and cash equivalents	2,577,444	208,322	67,432
Unrealised exchange (gain)/loss	9,492,794	20,089,800	19,361,672
Operating profit before working capital changes	144,278	84,437	(308,852)
Movements in working capital :			
(Increase)/Decrease in trade receivables	5,951,826	(9,906,332)	3,921,997
(Increase)/Decrease in other financial assets	1,039,420	180,423	(268,880)
(Decrease) / Increase in trade payables and current liabilities	(952,924)	(13,329,663)	(12,074,511)
Operating profit after working capital changes	6,182,600	(22,971,135)	(8,730,246)
Direct taxes paid (net of refunds)	(1,182,703)	-	(2,039)
Net cash generated from operating activities (A)	4,999,897	(22,971,135)	(8,732,285)
Cash flow from investing activities			
Investment in Subsidiary	-	-	-
Payment towards capital expenditure	-	-	-
Net cash (used in) investing activities (B)	-	-	-
Cash flow from financing activities			
Interest received on inter corporate deposits	6,916,217	4,548,489	5,533,893
Inter corporate deposits refunded/ (given)	-	10,339,175	10,900,603
Net cash generated from financing activities (C)	6,916,217	14,887,664	16,434,496
Net increase in cash and cash equivalents (A + B + C)	11,916,114	(8,083,471)	7,702,211
Cash and cash equivalents at the beginning of the reporting period/ year	22,091,223	10,338,968	10,338,968
Cash received on liquidation of Valista Inc.		4,117,476	4,117,476
Exchange difference on translation of foreign currency cash and cash equivalents	(2,577,444)	(208,322)	(67,432)
Cash and cash equivalents at the end of the reporting period/year	31,429,893	6,164,651	22,091,223

	As at		As at
	December 31, 2017 (In ₹)	December 31, 2016 (In ₹)	March 31, 2017 (In ₹)
Components of cash and cash equivalents			
Balances with banks			
- on current account	31,429,893	6,164,651	22,091,223
Cash and cash equivalents in cash flow statement as per note 8	31,429,893	6,164,651	22,091,223

Summary of significant accounting policies (note 3)

The accompanying notes are 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
Valista Limited (in liquidation)

per C.K. Joshi
Partner
Membership No. 030428
Place: Pune
Date : January 25, 2018

Sunil Sapre Director	Narayanan Rajagopalan Director
Place: Pune	Place: Pune
Date : January 25, 2018	Date : January 25, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED DECEMBER 31, 2017**A. Equity Share Capital (Refer Note 4)****(In ₹)**

Balance as at April 1, 2017	Changes in equity share capital during the period	Balance as at December 31, 2017
36,253,449	-	36,253,449

(In ₹)

Balance as at April 1, 2016	Changes in equity share capital during the period	Balance as at December 31, 2016
36,253,449	-	36,253,449

(In ₹)

Balance as at April 1, 2016	Changes in equity share capital during the period	Balance as at March 31, 2017
36,253,449	-	36,253,449

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Valista Limited (in liquidation)

STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED DECEMBER 31, 2017

B. Other Equity

(In ₹)

Particulars	Reserves and surplus			Items of other comprehensive income	Total
	Securities premium reserve	General reserve	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2017	2,788,872,741	11,551,159	(2,612,709,748)	(10,393,515)	177,320,637
Other Comprehensive income for the period	-	-	-	21,676,646	21,676,646
Net profit for the period	-	-	(9,182,355)	-	(9,182,355)
Balance at December 31, 2017	2,788,872,741	11,551,159	(2,621,892,103)	11,283,131	189,814,928

(In ₹)

Particulars	Reserves and surplus			Items of other comprehensive income	Total
	Securities premium reserve	Capital reserve	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2016	2,788,872,741	11,551,159	(2,191,632,581)	20,046,181	628,837,500
Net profit for the period	-	-	(428,403,087)	(18,534,144)	(446,937,231)
Balance at December 31, 2016	2,788,872,741	11,551,159	(2,620,035,668)	1,512,037	181,900,269

(In ₹)

Particulars	Reserves and surplus			Items of other comprehensive income	Total
	Securities premium reserve	Capital reserve	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2016	2,788,872,741	11,551,159	(2,191,632,581)	20,046,181	628,837,500
Net profit for the period	-	-	(421,077,167)	(30,439,696)	(451,516,863)
Balance at March 31, 2017	2,788,872,741	11,551,159	(2,612,709,748)	(10,393,515)	177,320,637

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
Valista Limited (in liquidation)

per C.K. Joshi
Partner
Membership No. 030428

Sunil Sapre
Director

Narayanan Rajagopalan
Director

Place: Pune
Date : January 25, 2018

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1. Nature of operations

Valista Limited (an Ireland based wholly owned subsidiary of Aepona Group Limited) has adopted indirect sales model, with services revenue being billed to Aepona Limited. Sale of services are then contracted between Aepona Limited and customers. The Company became a subsidiary of Persistent Group by virtue of share purchase agreement dated October 2nd 2015

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 and equity settled employee stock options which have been measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of goods and services. The accounting policies are consistently applied by the Company during the period and are consistent with those used in previous year.

Statement of compliance

These financial statements have been prepared in accordance with Ind AS 34 Interim Financial Reporting for the period ended December 31, 2017 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) Use of estimates

The preparation of the financial statements are in conformity with the recognition and measurement principles of Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of period. 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.

Critical accounting estimates

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 Ireland. 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 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.

(b) 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.

(c) Functional currency

The Company's functional currency is Euro.

(d) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly 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 is probable that future economic benefits associated with the item will flow to the Company. 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 period during which such expenses are incurred.

Gains or losses arising from disposal 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 disposed.

(e) Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from disposal 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 disposed.

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;
- 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 development expenditure, until capitalization, is reflected as intangible assets 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 begins 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
Buildings*	25 years
Computers	3 years
Computers - Servers and networks*	3 years
Office equipments	5 years
Plant and equipment*	3 to 5 years
Furniture and fixtures*	5 years
Vehicles*	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 Rs 5,000 are fully depreciated in the year of acquisition.

Leasehold land is amortized on straight line basis over the period of the lease. Leasehold improvements are amortized

over the period of lease or useful life, whichever is lower.

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) 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:

- 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.

(h) 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 fair value less costs of disposal 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.

(i) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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

(j) Leases

Where the Company is a lessee

Leases that transfers substantially all the risks and rewards incidental to ownership to the Company are classified as finance leases.

Finance leases are capitalized at the lower of the inception date fair value of the leased assets and the present value of the minimum lease payments.

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 as per the terms of the lease agreements.

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the Company. 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:

(i) Income from software services

Revenue from time and material engagements is recognized on time proportion basis as and when the services are rendered in accordance with the terms of the contracts with customers.

In case of fixed price contracts, revenue is recognized based on the milestones achieved as specified in the contracts, on proportionate completion basis.

Revenue from royalty is recognized in accordance with the terms of the relevant agreements.

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

Revenue from licensing of software and sale of products is recognized upon delivery.

Unbilled revenue represents revenue recognized in relation to work done 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.

The Company collects value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

(ii) Interest

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

(iii) Dividend

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date. Dividend income is included under the head 'Other income' in the statement of profit and loss.

(l) Foreign currency translation

(i) Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the respective functional currencies of the entities in the Company, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the values were determined.

Exchange differences

Exchange differences arising on conversion / settlement of foreign currency monetary items and on foreign currency liabilities relating to property plant and equipment acquisition are recognized as income or expenses in the period in which they arise.

Forward exchange contracts not intended for trading or speculation purposes, classified as derivative financial instruments

As per the accounting principles laid down in Ind AS 109 – "Financial Instruments" relating to cash flow hedges, derivative financial instruments which qualify for cash flow hedge accounting are fair valued at balance sheet date and the effective portion of the resultant loss / (gain) is debited / (credited) to the hedge reserve under other comprehensive income and the ineffective portion is recognized to the statement of profit and loss. Derivative financial instruments are carried as forward contract receivable when the fair value is positive and as forward contract payable when the fair value is negative.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, or terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognized in hedge reserve under other comprehensive income is transferred to the statement of profit and loss when the forecasted transaction occurs or affects profit or loss or when a hedged transaction is no longer expected to occur.

Translation of foreign operations

The Company presents the financial statements in INR which is the functional currency of the parent company.

The assets and liabilities of a foreign operation are translated into the reporting currency (INR) at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve under other comprehensive income. On disposal of a foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

(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 Irish Tax and Customs Service. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in statement of profit and loss.

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

(n) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the period / year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period / year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period / year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period / year, are adjusted for the effects of all dilutive potential equity shares.

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(o) Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. 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.

(p) 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.

(q) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprises of cash at bank, cash in hand and short term deposits with an original maturity period of three months or less.

4. Share capital

	As at December 31, 2017 In ₹	As at December 31, 2016 In ₹	As at March 31, 2017 In ₹
Authorized shares			
97,785,000 Ordinary shares of € 0.0125 each.	€ 1,222,313	€ 1,222,313	€ 1,222,313
	€ 1,222,313	€ 1,222,313	€ 1,222,313
Issued, subscribed and paid-up 39,670,791 Ordinary shares of € 0.0125 each.	36,253,449	36,253,449	36,253,449
Issued, subscribed and fully paid-up share capital	36,253,449	36,253,449	36,253,449

All the shares are held by Aepona Group Limited.

Reconciliation of the shares outstanding at the beginning and at the end of the period.

There is no movement in the shares outstanding at the beginning and at the end of the reporting period.

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Valista Limited (in liquidation)

Notes forming part of condensed financial statements

5. Non-current assets: Investments

	As at December 31, 2017 (In ₹)	As at December 31, 2016 (In ₹)	As at March 31, 2017 (In ₹)
Investments carried at cost			
Unquoted investments			
Investments in equity instruments			
- In wholly owned subsidiary companies			
Aepona Software (Private) Limited			
117 Shares (100% held by the company) of LKR 100 each	5,673	5,312	5,144
Less : Provision for diminution in value of investment	-	-	-
	5,673	5,312	5,144
Total investments	5,673	5,312	5,144

6. Non-current assets: Loans

	As at December 31, 2017 (In ₹)	As at December 31, 2016 (In ₹)	As at March 31, 2017 (In ₹)
Inter corporate deposits			
- Aepona Limited UK	197,869,004	191,811,681	185,966,300
Unsecured, considered doubtful	-	-	-
	197,869,004	191,811,681	185,966,300
Less: Provision for doubtful deposits	-	-	-
	197,869,004	191,811,681	185,966,300

Valista Limited (in liquidation)

Notes forming part of condensed financial statements

7. Trade receivables

	As at December 31, 2017 (In ₹)	As at December 31, 2016 (In ₹)	As at March 31, 2017 (In ₹)
Outstanding for a period more than six months from the date they are due for payment			
Unsecured, considered good	-	11,373,262	-
Unsecured, considered doubtful	-	-	-
	-	11,373,262	-
Less : Provision for doubtful receivables	-	-	-
	-	11,373,262	-
Others			
Unsecured, considered good	-	8,406,893	5,951,826
Unsecured, considered doubtful	-	-	-
	-	8,406,893	5,951,826
Less : Provision for doubtful receivables	-	-	-
	-	19,780,155	5,951,826

8. Cash and cash equivalents

	As at December 31, 2017 (In ₹)	As at December 31, 2016 (In ₹)	As at March 31, 2017 (In ₹)
Cash and cash equivalents as presented in cash flow statement			
Balances with banks			
On current accounts	31,429,893	6,164,651	22,091,223
	31,429,893	6,164,651	22,091,223

9. Other financial assets

	As at December 31, 2017 (In ₹)	As at December 31, 2016 (In ₹)	As at March 31, 2017 (In ₹)
Advance to related parties (Unsecured, considered good)			
Interest accrued on inter corporate deposit to related parties*	70,310	2,085,889	2,056,157
	70,310	2,085,889	2,056,157

*Due from Aepona Limited, UK

10. Other current assets

	As at December 31, 2017 (In ₹)	As at December 31, 2016 (In ₹)	As at March 31, 2017 (In ₹)
Other advances (Unsecured, considered good)			
VAT receivable (net)	160,310	750,427	1,199,730
	160,310	750,427	1,199,730

Valista Limited (in liquidation)**Notes forming part of condensed financial statements****11. Trade payables**

	As at December 31, 2017 (In ₹)	As at December 31, 2016 (In ₹)	As at March 31, 2017 (In ₹)
Trade payables for goods and services	2,610,730	2,305,012	3,367,270
	2,610,730	2,305,012	3,367,270

12. Other current liabilities

	As at December 31, 2017 (In ₹)	As at December 31, 2016 (In ₹)	As at March 31, 2017 (In ₹)
Advance from related parties			
Persistent Systems Inc	34,224	36,349	229,243
Persistent Systems Ltd	(1,365)	-	-
Provision for tax	823,224	103,036	99,781
	856,083	139,385	329,024

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Valista Limited (in liquidation)**Notes forming part of condensed financial statements****13. Revenue from operations**

	For the quarter ended		For nine months ended		For the year ended
	December 31, 2017 (In ₹)	December 31, 2016 (In ₹)	December 31, 2017 (In ₹)	December 31, 2016 (In ₹)	March 31, 2017 (In ₹)
Software services	20,432	3,125,507	1,468,113	10,790,410	13,600,431
	20,432	3,125,507	1,468,113	10,790,410	13,600,431

14. Other income

	For the quarter ended		For nine months ended		For the year ended
	December 31, 2017 (In ₹)	December 31, 2016 (In ₹)	December 31, 2017 (In ₹)	December 31, 2016 (In ₹)	March 31, 2017 (In ₹)
Foreign exchange gain (net)	-	1,327,573	-	-	-
Interest on inter corporate deposit and others	444,372	2,175,878	4,649,751	5,688,139	7,825,876
Miscellaneous income	153	-	11,035	-	-
	444,525	3,503,451	4,660,786	5,688,139	7,825,876

15. Personnel expenses

	For the quarter ended		For nine months ended		For the year ended
	December 31, 2017 (In ₹)	December 31, 2016 (In ₹)	December 31, 2017 (In ₹)	December 31, 2016 (In ₹)	March 31, 2017 (In ₹)
15.1. Employee benefits expense					
Staff welfare and benefits	-	-	-	-	-
	-	-	-	-	-
15.2. Cost of technical professionals					
Technical professionals - others	10,777	2,380,730	774,368	8,804,419	10,739,769
	10,777	2,380,730	774,368	8,804,419	10,739,769
	10,777	2,380,730	774,368	8,804,419	10,739,769

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Valista Limited (in liquidation)

Notes forming part of condensed financial statements

16. Other expenses

	For the quarter ended		For nine months ended		For the year ended
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
	(In ₹)	(In ₹)	(In ₹)	(In ₹)	(In ₹)
Rates, fees and profession tax	2,484	169,444	178,512	169,444	574,520
Loss on sale of investments	-	(4,141,226)	-	413,770,712	409,059,474
Legal and professional fees	939,071	64,069	2,486,197	338,300	755,462
Auditors' remuneration	(16,768)	100,287	(1,541)	308,853	406,614
Foreign exchange loss (net)	2,604,914	-	9,864,337	21,194,659	20,613,512
Miscellaneous expenses	24,964	79,088	103,235	188,420	248,510
	3,554,665	(3,728,338)	12,630,740	435,970,388	431,658,092

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Valista Limited (in liquidation)

Notes forming part of condensed financial statements

17. Earnings per equity share

		For the quarter ended		For the nine months ended		For the year ended
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
<u>Numerator for Basic and Diluted EPS</u>						
Net Profit after tax (In ₹)	(A)	(5,017,576)	7,977,635	(9,182,355)	(428,403,087)	(421,077,167)
<u>Denominator for Basic EPS</u>						
Weighted average number of equity shares	(B)	39,670,791	39,670,791	39,670,791	39,670,791	39,670,791
<u>Denominator for Diluted EPS</u>						
Number of equity shares	(C)	39,670,791	39,670,791	39,670,791	39,670,791	39,670,791
Basic Earnings per share of face value of EUR 0.0125 each (In ₹)	(A/B)	(0.13)	0.20	(0.23)	(10.80)	(10.61)
Diluted Earnings per share of face value of EUR 0.0125 each (In ₹)	(A/C)	(0.13)	0.20	(0.23)	(10.80)	(10.61)

	For the quarter ended		For nine months ended		For the year ended
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
Number of shares considered as basic weighted average shares outstanding	39,670,791	39,670,791	39,670,791	39,670,791	39,670,791
Add: Effect of dilutive issues of stock options	-	-	-	-	-
Number of shares considered as weighted average shares and potential shares outstanding	39,670,791	39,670,791	39,670,791	39,670,791	39,670,791

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18. Contingent liabilities:

The Company does not have any contingent liability as on December 31, 2017 (December 31, 2016 and March 31, 2017 ₹ Nil).

19. Capital Commitments:

The estimated amount of contracts remaining to be executed on Capital account and not provided for, net of advances is ₹ Nil (December 31, 2016 and March 2017 – Rs. Nil).

20. Member's voluntary winding up:

In order to consolidate its operations in Republic of Ireland, the Board of Directors have filed for Members Voluntary Winding Up of the Company on October 17, 2017. In view of the same, it is not a going concern. As there will not be any change in control of ultimate holding company the carrying values of assets and liabilities are not changed. The Board is of the view that the Company has sufficient assets to discharge its debts and other liabilities in full before the Company is fully wound up.

21. The financial statements are presented in ₹ except for per share information or as otherwise stated.

22. Previous period's figures have been regrouped where necessary to conform to current period's classification.

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
Valista Limited (in liquidation)**

per C.K. Joshi
Partner
Membership No.030428

Sunil Sapre
Director

Narayanan Rajagopalan
Director

Place: Pune
Date: January 25, 2018

Place: Pune
Date : January 25, 2018

Place: Pune
Date : January 25, 2018
