Akshat Corporation (dba Rgen Solutions)

CONDENSED BALANCE SHEET AS AT SEPTEMBER 30, 2018

	Note	As at September 30, 2018 (In ₹)	As at September 30, 2017 (In ₹)	As at March 31, 2018 (In ₹)
ASSETS				
Non-current assets				
Property, Plant and Equipment	5.1	126	114	114
Deferred tax assets (net)	6	5,278,211	4,950,119	2,882,274
	(A)	**5,278,337**	**4,950,233**	**2,882,388**
Current assets				
Financial assets				
-Trade receivables	7	61,785,402	161,899,965	48,744,137
-Cash and cash equivalents	8	24,880,728	7,530,094	33,279,211
Other current financial assets		-	-	-
Other current assets	9	-	251,889	39,544
	(B)	**86,666,130**	**169,681,948**	**82,062,892**
TOTAL	**(A)+(B)**	**91,944,467**	**174,632,181**	**84,945,280**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	4	-	-	-
Other equity		78,022,969	68,471,714	69,460,514
	(A)	**78,022,969**	**68,471,714**	**69,460,514**
Current Liabilities				
Financial liabilities				
-Trade payables	10	1,413,341	13,387,127	1,388,992
-Other financial liabilities	11	472,499	80,569,833	63,176
Provision	12	4,681,440	5,406,634	7,383,584
Other current liabilities	13	716,566	1,431,707	914,048
Current tax liabilities (net)		6,637,652	5,365,166	5,734,966
	(B)	**13,921,498**	**106,160,467**	**15,484,766**
TOTAL	**(A)+(B)**	**91,944,467**	**174,632,181**	**84,945,280**
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

per C.K. Joshi
Partner
Membership No.030428

Place: Pune
Date : October 19, 2018

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

Dr. Anand Deshpande
Director
Place: Pune
Date : October 19, 2018

Thomas Klein
Director
Place: Santa Clara
Date : October 19, 2018

Akshat Corporation (dba Rgen Solutions)

CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2018

	Note	For the quarter ended		For the half year ended		For the year ended
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
		(In ₹)	(In ₹)	(In ₹)	(In ₹)	(In ₹)
Income						
Revenue from operations (net)	14	297,322	29,715,671	13,149,549	66,280,786	112,496,909
Total income (A)		**297,322**	**29,715,671**	**13,149,549**	**66,280,786**	**112,496,909**
Expenses						
Employee benefits expense	15	663,454	21,047,240	13,474,405	59,034,008	98,621,238
Depreciation and amortization expense	5.2			-	-	-
Other expenses	16	(60,364)	950,751	613,198	2,535,279	5,600,880
Total expenses (B)		**603,090**	**21,997,991**	**14,087,603**	**61,569,287**	**104,222,118**
Profit/(Loss) before tax (A - B)		**(305,768)**	**7,717,680**	**(938,054)**	**4,711,499**	**8,274,791**
Tax expense						
Current tax		6,636	32,209	293,483	32,209	275,911
Tax charge in respect of earlier years				-		136,892
Deferred tax Charge/(Credit)		(935,726)	(986,719)	(1,961,311)	(2,725,426)	(694,066)
Total tax expense		**(929,090)**	**(954,510)**	**(1,667,828)**	**(2,693,217)**	**(281,263)**
Profit/(Loss) for the quarter/year (C)		**623,322**	**8,672,190**	**729,774**	**7,404,716**	**8,556,054**
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 will be reclassified to profit or loss (E)						
- Exchange differences in translating the financial statements of foreign operations		4,313,141	806,949	7,832,681	552,658	390,120
		4,313,141	**806,949**	**7,832,681**	**552,658**	**390,120**
Total comprehensive income for the quarter/year (C) + (D) + (E)		**4,936,463**	**9,479,139**	**8,562,455**	**7,957,374**	**8,946,174**
Earnings per equity share [nominal value of Share $ Nil]	17					
Basic (In ₹)		623	8,672	730	7,405	8,556
Diluted (In ₹)		623	8,672	730	7,405	8,556
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

per C.K. Joshi
Partner
Membership No.030428

Place: Pune
Date : October 19, 2018

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

Dr. Anand Deshpande
Director
Place: Pune
Date : October 19, 2018

Thomas Klein
Director
Place: Santa Clara
Date : October 19, 2018

Akshat Corporation (dba Rgen Solutions)

CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

	For the half year ended September 30, 2018 (In ₹)	For the half year ended September 30, 2017 (In ₹)	For the year ended March 31, 2018 (In ₹)
Cash flow from operating activities			
Profit before taxation	(938,054)	4,711,499	8,274,791
Adjustments for:			
Exchange differences in translating the financial statements of foreign operations	8,041,323	461,093	324,246
Operating profit before working capital changes	7,103,269	5,172,592	8,599,037
Movements in working capital :			
(Increase)/decrease in trade receivable	(13,041,265)	(58,977,795)	54,178,033
(Increase)/decrease in other current assets	39,544	(123,719)	88,626
Increase/(decrease) in trade payables, other financial liabilities and/current liabilities	236,190	55,339,540	(37,682,911)
Increase/(decrease) in provisions	(2,702,144)	1,770,704	3,747,654
Operating profit after working capital changes	**(8,364,406)**	**3,181,322**	**28,930,439**
Direct taxes paid (net of refunds)	(34,077)		-
Net cash flow from operating activities A	**(8,398,483)**	**3,147,245**	**28,930,439**
Cash flows from investing activities			
Cash flows from financing activities			
Net cash flow from financing activities C	**-**	**-**	**-**
Net increase in cash and cash equivalents (A + B + C)	(8,398,483)	3,147,245	28,930,439
Cash and cash equivalents at the beginning of the quarter/year	33,279,211	4,348,772	4,348,772
Cash and cash equivalents at the end of the quarter/year (Refer Note 8)	**24,880,728**	**7,496,017**	**33,279,211**
Bank Balances with Banks	24,880,728	7,530,094	33,279,211
Cash and cash equivalents	**24,880,728**	**7,530,094**	**33,279,211**
(Refer Note 8)			
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

per C.K. Joshi
Partner
Membership No.030428

Place: Pune
Date : October 19, 2018

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Dr. Anand Deshpande
Director
Place: Pune
Date : October 19, 2018

Thomas Klein
Director
Place: Santa Clara
Date : October 19, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

A. Equity share capital

(Refer Note: 4)

(In ₹)

Balance as at April 1, 2018	Changes in equity share capital during the year	Balance as at September 30, 2018
-	-	-

(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, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018
-	-	-

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Akshat Corporation (dba Rgen Solutions)

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

B. Other equity

(In ₹)

Particulars	Reserves and surplus	Items of other comprehensive income		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, 2018	65,182,917	(982,953)	5,260,550	69,460,514
Net Profit for the period	729,774	-	-	729,774
Change during the period	-	7,832,681	-	7,832,681
Balance at September 30, 2018	**65,912,691**	**6,849,728**	**5,260,550**	**78,022,969**

(In ₹)

Particulars	Reserves and surplus	Items of other comprehensive income		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	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	Reserves and surplus	Items of other comprehensive income		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, 2017	56,626,863	(1,373,073)	5,260,550	60,514,340
Net profit for the period	8,556,054	-	-	8,556,054
Change during the period	-	390,120	-	390,120
Balance at March 31, 2018	**65,182,917**	**(982,953)**	**5,260,550**	**69,460,514**

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

Place: Pune
Date : October 19, 2018

Dr. Anand Deshpande
Director

Place: Pune
Date : October 19, 2018

Thomas Klein
Director

Place: Santa Clara
Date : October 19, 2018

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 for the half year and quarter ended September 30, 2018 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

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

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

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.

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 amortisation

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 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.

NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

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:

- **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.

NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

- **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.

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.

NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

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”.

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.

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

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.

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.

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

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.

18. Contingent liability

The Company does not have any contingent liability as on September 30, 2018 (corresponding period/ Previous year ₹ Nil).

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

4. Share capital

	As at September 30, 2018 (In ₹)	As at September 30, 2017 (In ₹)	As at March 31, 2018 (In ₹)
Authorised			
2,000 Common Shares at no par value each.	-	-	-
	-	**-**	**-**
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, 2018	**278,024**	**278,024**
Additions	-	-
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	31,185	31,185
As at September 30, 2018	**309,209**	**309,209**
Depreciation and amortization		
As at April 1, 2018	**277,910**	**277,910**
Charge for the period	-	-
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	31,173	**31,173**
As at September 30, 2018	**309,083**	**309,083**
Net block		
As at September 30, 2018	**126**	**126**
As at March 31, 2018	**114**	**114**

(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	**278,706**	**278,706**
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	**278,592**	**278,592**
Net block		
As at September 30, 2017	**114**	**114**
As at March 31, 2017	**113**	**113**

(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	1,365	1,365
As at March 31, 2018	**278,024**	**278,024**
Depreciation and amortization		
As at April 1, 2017	**276,546**	**276,546**
Charge for the year	-	-
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	1,364	1,364
As at March 31, 2018	**277,910**	**277,910**
Net block		
As at March 31, 2018	**114**	**114**
As at March 31, 2017	**113**	**113**

5.2. Depreciation and amortization

	For the quarter ended		For the year ended
	September 30, 2018 (In ₹)	September 30, 2017 (In ₹)	March 31, 2018 (In ₹)
On Property, Plant and Equipment	-	-	-
	-	-	-

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

6. Deferred tax assets (Net)

	As at September 30, 2018 (In ₹)	As at September 30, 2017 (In ₹)	As at March 31, 2018 (In ₹)
Deferred tax assets (net)			
Provision for doubtful debts	75,635	109,433	-
Difference in depreciation as per books of US tax laws	337,054	1,619,310	326,704
Provision for leave encashment	741,262	595,016	742,096
Employee Bonuses and Commission	254,006		
Accumulated Losses	3,870,254		
			0
Deferred tax liability			
Difference in depreciation as per books of US tax laws			-
Others	-	2,626,360	1,813,474
	5,278,211	**4,950,119**	**2,882,274**

*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, 2018 (In ₹)	As at September 30, 2017 (In ₹)	As at March 31, 2018 (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)	61,785,431	161,899,965	48,744,137
Unsecured (considered doubtful)	-	-	-
	61,785,431	161,899,965	48,744,137
Less : Provision for doubtful debts	29	-	-
	61,785,402	161,899,965	48,744,137
	61,785,402	**161,899,965**	**48,744,137**

8. Cash and bank balance

	As at September 30, 2018 (In ₹)	As at September 30, 2017 (In ₹)	As at March 31, 2018 (In ₹)
Cash and cash equivalents as presented in cash flow statement			
Balances with banks			
On current account	24,880,728	7,530,094	33,279,211
	24,880,728	**7,530,094**	**33,279,211**

9. Other current assets

	As at September 30, 2018 (In ₹)	As at September 30, 2017 (In ₹)	As at March 31, 2018 (In ₹)
Advances recoverable in cash or kind or for value to be received	-	251,889	39,544
	-	**251,889**	**39,544**

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

10. Trade payables

	As at September 30, 2018 (In ₹)	As at September 30, 2017 (In ₹)	As at March 31, 2018 (In ₹)
Trade payables for goods and services	1,413,341	13,387,127	1,388,992
	1,413,341	**13,387,127**	**1,388,992**

11. Other current financial liabilities

	As at September 30, 2018 (In ₹)	As at September 30, 2017 (In ₹)	As at March 31, 2018 (In ₹)
Advances from related parties			
-Persistent Systems Inc.	372,565	80,460,863	17,271
-Persistent Systems Limited	99,934	108,970	45,905
	472,499	**80,569,833**	**63,176**

12. Current Liabilities: Provisions

	As at September 30, 2018 (In ₹)	As at September 30, 2017 (In ₹)	As at March 31, 2018 (In ₹)
Provision for employee benefits			
- Leave encashment	3,486,678	1,743,542	3,490,576
- Other employee benefits - Short term provisions	1,194,762	3,663,092	3,893,008
			-
	4,681,440	**5,406,634**	**7,383,584**

13. Other current liabilities

	As at September 30, 2018 (In ₹)	As at September 30, 2017 (In ₹)	As at March 31, 2018 (In ₹)
Advance from customers	716,566	1,431,707	914,048
	716,566	**1,431,707**	**914,048**

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

14. Revenue from operations

	For the quarter ended		For the half year ended		For the year ended
	September 30, 2018 (In ₹)	September 30, 2017 (In ₹)	September 30, 2018 (In ₹)	September 30, 2017 (In ₹)	March 31, 2018 (In ₹)
Software services	297,322	29,715,671	13,149,549	66,280,786	112496909
	297,322	**29,715,671**	**13,149,549**	**66,280,786**	**112,496,909**

15. Personnel expenses

	For the quarter ended		For the half year ended		For the year ended
	September 30, 2018 (In ₹)	September 30, 2017 (In ₹)	September 30, 2018 (In ₹)	September 30, 2017 (In ₹)	March 31, 2018 (In ₹)
-Employee benefit expenses					
Salaries wages and bonus	663,454	21,047,240	13,474,405	59,027,419	98614643
Staff welfare and benefits	-	-	-	6,589	6,595
	663,454	**21,047,240**	**13,474,405**	**59,034,008**	**98,621,238**
15.2 Cost of technical, professionals					
Technical professionals - Related parties	-	-	-	-	-
Technical professionals - Others	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
	663,454	**21,047,240**	**13,474,405**	**59,034,008**	**98,621,238**

16. Other expenses

	For the quarter ended		For the half year ended		For the year ended
	September 30, 2018 (In ₹)	September 30, 2017 (In ₹)	September 30, 2018 (In ₹)	September 30, 2017 (In ₹)	March 31, 2018 (In ₹)
Traveling and conveyance	(82,710)	23,140	299,932	198,216	787,718
Communication expenses	-	-	-	1,124	1,124
Recruitment expenses	-	(94,758)	-	-	-
Rates and taxes	3,803	(96,589)	257,175	456,108	3,148,635
Legal and professional fees	7,099	282,425	17,496	443,578	475,700
Auditors' remuneration	9,747	7,436	22,820	14,881	35,515
Books, memberships, subscriptions	-	49,342	-	49,342	98,778
Processing fees	-	771,075	-	1,347,612	998,663
Miscellaneous expenses	1,697	8,680	15,775	24,418	54,747
	(60,364)	**950,751**	**613,198**	**2,535,279**	**5,600,880**

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

17. Earnings per share

Particulars		For the quarter ended		For the half year ended		For the year ended
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
		(In ₹)	(In ₹)	(In ₹)	(In ₹)	(In ₹)
Basic earnings per share						
Numerator						
Net Profit / (loss) after tax	A	623,322	8,672,190	729,774	7,404,716	8,556,054
Denominator						
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	623	8,672	730	7,405	8,556

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

18. 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 19, 2018

Dr. Anand Deshpande
Director
Place: Pune
Date : October 19, 2018

Thomas Klein
Director
Place: Santa Clara
Date : October 19, 2018