Aricent and its Subsidiaries

Special Purpose Interim Condensed Consolidated Financial Statements as of September 30, 2017 and March 31, 2017 and Six Months Ended September 30, 2017 and September 30, 2016

Deloitte Haskins & Sells

Chartered Accountants
7[th] Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurugram - 122 002
Haryana, India

Tel: +91 124 679 2000
Fax: +91 124 679 2012

INDEPENDENT PRACTITIONER'S REVIEW REPORT

To the Board of Directors of
Aricent

We have reviewed the accompanying Special Purpose Interim Condensed Consolidated Financial Statements of Aricent and its subsidiaries (the "Company"), which comprise the consolidated balance sheet as at September 30, 2017, the statement of operations and statement of cash flows for the six months ended September 30, 2017 and September 30, 2016, a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Special Purpose Interim Condensed Consolidated Financial Statements in accordance with recognition, measurement principles and disclosure requirements of ASC 270 (US GAAP), and for such internal control as management determines is necessary to enable the preparation of Special Purpose Interim Condensed Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying Special Purpose Interim Condensed Consolidated Financial Statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these Special Purpose Interim Condensed Consolidated Financial Statements do not present fairly, in all material respects, the financial position of the Company as at September 30, 2017, and its financial performance and cash flows for the six months ended September 30, 2017 and September 30, 2016, in accordance with recognition, measurement principles and disclosure requirements of ASC 270 (US GAAP).

Deloitte Haskins & Sells
Chartered Accountants

Deloitte
Haskins & Sells

Restriction on Use

Without modifying our conclusion, we draw attention to Note 2 to the Special Purpose Interim Condensed Consolidated Financial Statements, which describes the purpose and basis of preparation. This review report is addressed to Aricent and is provided at the request of Aricent and Altran Technologies to enable Altran Technologies to include this review report in the Altran Technologies international offering documents to be issued in relation with the share capital increase contemplated by Altran Technologies in relation to the acquisition of Aricent and on Altran Technologies corporate's website as referred to in the Altran Technologies 2017 Registration Document (Document de référence 2017) and the Special Purpose Interim Condensed Consolidated Financial Statements may not be meaningful for any other purpose. Our report is intended solely for the Company and should not be used by parties other than the Company.

Deloitte Haskins & Sells

Deloitte Haskins & Sells Chartered Accountants

Deloitte Haskins & Sells
March 15, 2018

ARICENT AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2017 AND MARCH 31, 2017
(In thousands, except share and per share amounts)

	Sep 30, 2017	Mar 31, 2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 42,696	$ 44,865
Accounts receivable — less allowance for doubtful accounts of $2,254 and $2,298 in September 30, 2017 and March 31, 2017, respectively	97,803	118,905
Unbilled revenue	82,796	53,298
Other current assets	21,492	21,633
Total current assets	244,787	238,701
PROPERTY AND EQUIPMENT — Net	50,094	53,944
GOODWILL	381,932	383,325
INTANGIBLE ASSETS — Net	364,261	384,752
OTHER ASSETS	45,883	44,857
TOTAL ASSETS	**$ 1,086,957**	**$ 1,105,579**
LIABILITIES AND SHAREHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Bank borrowings and current portion of long-term debt	$ 52,340	$ 32,340
Accounts payable	104,820	105,097
Accrued payroll and benefits	36,833	33,842
Deferred revenue	8,800	7,853
Other current liabilities	36,191	29,385
Total current liabilities	238,984	208,517
LONG-TERM DEBT — net of current portion and unamortized discount and debt issuance cost	892,237	894,318
DEFERRED INCOME TAX LIABILITIES	67,231	70,897
OTHER LONG-TERM LIABILITIES	193,383	228,646
Total liabilities	1,391,835	1,402,378
COMMITMENTS AND CONTINGENCIES (NOTE 8)		
SHAREHOLDERS' DEFICIT:		
Ordinary shares, $0.001 par value - 550,000,000 shares authorized: 466,700,315 shares and 461,197,639 shares issued and outstanding as of September 30, 2017 and March 31, 2017, respectively	$ 467	$ 461
Additional paid-in capital	394,625	389,416
Accumulated other comprehensive loss	(156,719)	(154,882)
Accumulated deficit	(548,593)	(536,712)
Total Aricent shareholders' deficit	(310,220)	(301,717)
Non-controlling interest	5,342	4,918
Total shareholders' deficit	(304,878)	(296,799)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	**$ 1,086,957**	**$ 1,105,579**

See notes to interim consolidated financial statements.

ARICENT AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
(In thousands)

	2017	2016
TOTAL REVENUES	$ 329,041	$ 291,244
COST OF REVENUES:		
Services and products	217,709	196,960
Total cost of revenues	217,709	196,960
GROSS PROFIT	111,332	94,284
OPERATING EXPENSES:		
Selling, general, and administrative	58,587	49,550
Research and development expenses	9,831	11,256
Amortization of intangible assets	6,141	6,859
OPERATING INCOME	36,773	26,619
OTHER EXPENSE/(INCOME):		
Interest expense — net	43,383	31,544
Foreign exchange gain	(1,817)	(4,356)
Other (income)/expense — net	(656)	589
LOSS BEFORE INCOME TAXES	(4,137)	(1,158)
PROVISION FOR INCOME TAXES	7,275	8,620
NET LOSS	(11,412)	(9,778)
LESS: NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTEREST	469	452
NET LOSS ATTRIBUTABLE TO ARICENT	$ (11,881)	$ (10,230)

See notes to interim consolidated financial statements.

ARICENT AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
(In thousands)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss)	$ (11,412)	$ (9,778)
Adjustments to reconcile net (loss) to net cash provided by operating activities:		
Depreciation and amortization charges	31,257	15,730
(Gain) / Loss on sale of property and equipment	(41)	636
Gain on sale of short-term investments	(14)	(74)
Bad debt	5	354
Share-based compensation	1,914	1,399
Non-cash interest expense	9,001	1,828
Loss on investment write down	-	475
Unrealized loss/(gain) on derivatives	4,111	(1,052)
Changes in operating assets and liabilities:		
Accounts receivable	21,438	7,799
Unbilled revenue	(29,242)	(3,696)
Other assets	(5,197)	(2,902)
Accounts payable and other liabilities	3,008	(6,324)
Accrued payroll and benefits	2,811	584
Deferred revenue	866	(2,567)
Net cash provided by operating activities	28,505	2,412
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(8,459)	(8,380)
Proceeds from sale of property and equipment	48	24
Purchase of intangible assets	(39,062)	(50,000)
Proceeds from sale of short-term investments	3,918	3,073
Purchase of short-term investments	(3,904)	(4,517)
Net cash used in investing activities	(47,459)	(59,800)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repurchase of ordinary shares	(171)	(449)
Issuance of ordinary shares upon exercise of options/restricted stock units	3,835	462
Payments of awards classified from equity to liability	(27)	(809)
Distribution to common shareholders and vested option holders	-	(121)
Payments of capital lease obligations	(163)	(267)
Proceeds from bank borrowings and long-term debt	30,000	22,000
Repayment of bank borrowings and long-term debt	(13,670)	(3,670)
Net cash provided by financing activities	19,804	17,146
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(3,019)	56
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,169)	(40,186)
CASH AND CASH EQUIVALENTS — Beginning of period	44,865	88,857
CASH AND CASH EQUIVALENTS — End of period	$ 42,696	$ 48,671

See notes to interim consolidated financial statements.

1. OVERVIEW

Aricent and its subsidiaries (the "Company") is a global innovation company that provides consulting, design and software engineering services and solutions to help its clients create, commercialize and evolve their products and services in the connected world. The Company also has a long history in design, branded globally as frog that focuses on the user interface with a product. The Company provides its services via an integrated global sourcing model that combines design, consulting and engineering technical and account management teams located on-site at the custmer location and at near-shore and off-shore design studios and development centers.

Aricent has entered into an agreement dated November 29, 2017 (as amended and expected to be restated on March 16, 2018, the "A&R Merger Agreement"), pursuant to which, on the terms and subject to the conditions set forth therein and in that certain share purchase agreement to be entered into by Aricent Holdings (AH), Aricent Technologies will be acquired by Octavia Holdco, Inc. (Parent), an indirect subsidiary of Altran Technologies. Successively on the 2 business days immediately following this acquisition, on the terms and subject to the conditions set forth in the A&R Merger Agreement, (i), AH will merge with and into Aricent Cayman Island (ACI) with ACI continuing as the surviving company, and (ii), ACI will merge with and into a wholly owned subsidiary of Parent, with ACI continuing as the surviving company (the "Transactions"). As a result of this last merger, the shares of the current shareholders of ACI would be transferred to Parent. The Transactions are not completed until the issuance date of the special purpose interim condensed consolidated financial statements therefore impact, if any, of the above Transactions haves not been considered in these Financials statements.

These special purpose interim condensed consolidated financial statements have been prepared at the request of Altran Technologies and will be included:

- in the Altran Technologies international offering documents to be issued in relation with the share capital increase contemplated by Altran Technologies in relation to the acquisition of ACI; and
- on Altran Technologies corporate website as referred to in the Altran Technologies 2017 Registration Document (Document de référence 2017).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation — These special purpose interim condensed consolidated financial statements are prepared in accordance with recognition, measurement principles and disclosure requirements of ASC 270 (US GAAP). The special purpose interim condensed consolidated financial statements and footnotes do not include all the information and footnotes required by US GAAP for annual financial statements.

In the opinion of management, the unaudited special purpose interim condensed consolidated financial statements reflect all adjustments of a normal recurring nature that are necessary for a fair presentation of the results for the interim periods presented

These special purpose interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and footnotes thereto included in the Company's Consolidated Financial Statements for the year ended March 31, 2017.

All intercompany accounts and transactions have been eliminated in consolidation. For consolidated majority-owned subsidiaries in which the Company owns less than 100%, the Company recognizes a non-controlling interest for the ownership of the minority owners.

There have been no material changes to our significant accounting policies as compared to the significant accounting policies described in the Consolidated Financial Statements for the year ended March 31, 2017.

3. PROPERTY AND EQUIPMENT — NET

Property and equipment as of September 30, 2017 and March 31, 2017 are as follows:

	Useful Life (In Years)	**September 30 2017**	**March 31 2017**
Machinery and equipment	5–7	$ 19,853	$ 19,567
Buildings	30	2,010	2,025
Leasehold improvements	up to 10	30,362	28,816
Furniture and fixtures	3–5	7,303	7,009
Computer equipment and software	3–5	90,731	89,310
Land		7,199	7,252
Property and equipment under capital leases	3–9	4,599	4,633
Total property and equipment		162,057	158,612
Accumulated depreciation		(111,963)	(104,668)
Property and equipment — net		$ 50,094	$ 53,944

Accumulated amortization of capital lease assets was $3.7 million and $3.6 million as on September 30, 2017 and March 31, 2017, respectively. Depreciation and amortization expense associated with property and equipment was $9.8 million and $8.9 million for the six months ended September 30, 2017 and 2016, respectively.

No impairment of property and equipment was identified during the six months ended September 30, 2017.

4. GOODWILL AND OTHER INTANGIBLE ASSETS

The following table summarizes the changes in goodwill, for the six months ended September 30, 2017 and year ended March 31, 2017:

Balance — March 31, 2016	$	382,427
Impact of measurement period adjustments		(4,363)
Foreign currency translation adjustments		5,520
Deferred tax adjustments		(259)
Balance — March 31, 2017		383,325
Foreign currency translation adjustments		(1,297)
Deferred tax adjustments		(96)
Balance — September 30, 2017	$	381,932

Intangible Assets — Changes in gross carrying amounts of intangible assets during the six months ended September 30, 2017 are related to acquisition of assembled workforce $1.4 million and loss on translation adjustments of $0.9 million.

The components of intangible assets, including foreign currency translation adjustments of $0.4 million and $1.4 million, as of September 30, 2017 and March 31, 2017, are as follows:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets as of September 30, 2017:			
Contractual agreements	$ 5,813	$ (5,813)	$ -
Trademarks	5,713	(4,165)	1,548
Developed technologies	45,310	(45,310)	-
Software licenses	315,773	(24,492)	291,281
Customer relationships	203,330	(134,673)	68,657
Non-compete	1,280	(550)	730
Assembled workforce	2,304	(259)	2,045
Total	$ 579,523	$ (215,262)	$ 364,261
Intangible assets as of March 31, 2017:			
Contractual agreements	$ 5,795	$ (5,795)	$ -
Trademarks	5,676	(3,729)	1,947
Developed technologies	45,310	(45,310)	-
Software licenses	315,742	(9,375)	306,367
Customer relationships	204,253	(129,572)	74,681
Non-compete	1,286	(424)	862
Assembled workforce	952	(57)	895
Total	$ 579,014	$ (194,262)	$ 384,752

Amortization of intangible assets included in operating income was $21.5 million and $6.9 million for the six months ended September 30, 2017 and 2016, respectively. Future estimated annual amortization expense, as of September 30, 2017, is as follows:

Years Ending March 31	**Amount**
2018 (excluding six months ended September 30, 2017)	$ 23,253
2019	46,226
2020	45,083
2021	44,200
2022	43,272
Thereafter	162,227
Total amortization expense	$ 364,261

In the current period the Company has made a payment of $40.6 million and the expected future payments for payables for acquisition of software licenses as at September 30, 2017 are as follows:

Years Ending March 31	**Amount**
2018 (excluding six months ended September 30, 2017)	$ 38,326
2019	86,250
2020	54,885
2021	41,760
2022	10,480
Total	$ 231,701

5. FINANCIAL INSTRUMENTS

In the normal course of business, the Company is exposed to market risk arising from changes in currency exchange rates and interest rates. The Company uses derivative financial instruments to manage exposures to foreign currency and interest rate risks. The Company's objective for utilizing derivative financial instruments is to mitigate the risks from these exposures.

Foreign Currency Exposures — The Company manages foreign currency exchange rate risk through the use of derivative financial instruments comprised of forwards contracts and option contracts. All such derivative financial instruments are reported in the interim condensed consolidated balance sheets at fair value (see Note 6) with the changes in fair value of the derivative financial instrument recognized in earnings. The Company does not use derivative financial instruments for trading or speculative purposes.

During the six months ended September 30, 2017, the Company did not apply hedge accounting for its foreign currency forward contracts.

The total gross notional amount by type of derivative financial instruments as of September 30, 2017, is as follows:

	Forward Contracts Outstanding		
	Currency to Sell	Notional Coverage	US Dollars
US dollar (contracts to sell USD/buy INR)	USD	INR 13,457,044	$ 202,300
Australian dollar (contract to sell AUD/buy USD)	AUD	AUD 3,290	2,557
British pound (contracts to sell GBP/buy USD)	GBP	GBP 6,800	9,009
Euros (contracts to sell EUR/buy USD)	EUR	EUR 32,000	$ 36,921

	Option/Range Forward Contracts Outstanding		
	Currency to Sell	Notional Coverage	US Dollars
Euros (contracts to sell EUR/buy USD)	EUR	EUR 2,100	$ 2,475
US Dollars (contracts to sell USD/buy INR)	USD	INR 489,675	7,500

The total gross notional amount by type of derivative financial instruments as of March 31, 2017, is as follows:

	Forward Contracts Outstanding		
	Currency to Sell	Notional Coverage	US Dollars
US dollar (contracts to sell USD/buy INR)	USD	INR 10,852,006	$ 161,200
Australian dollar (contract to sell AUD/buy USD)	AUD	AUD 3,990	3,038
British pound (contracts to sell GBP/buy USD)	GBP	GBP 11,600	14,490
Euros (contracts to sell EUR/buy USD)	EUR	EUR 38,780	$ 41,991

	Option/Range Forward Contracts Outstanding		
	Currency to Sell	Notional Coverage	US Dollars
Euros (contracts to sell EUR/buy USD)	EUR	EUR 1,800	$ 1,922
US Dollars (contracts to sell USD/buy INR)	USD	INR 622,176	9,600

The Effect of Derivative Instruments on the Interim Condensed Consolidated Statements of Operations — The following table summarizes the amount of foreign exchange (gain)/loss recognized in the interim condensed consolidated statements of operations for the six months ended September 30, 2017 and 2016. The following loss/(gain) result from derivative financial instruments that are not designated as hedging instruments.

	2017	2016
Foreign exchange (gain)/loss	$ 2,639	$ (6,060)

Interest Rate Exposure —

The Company entered into forward interest rate swap transactions covering $450 million secured term loans from variable interest rate to fixed rate. These interest rate swaps are accounted for as a cash flow hedge under ASC 815 – Derivatives and Hedging.

The Company recorded expense of $0.01 million and nil as ineffective portion of changes in fair value of these derivatives, in other (income)/expense – net, for each of the six months ended September 30, 2017 and 2016 respectively.

The Company recorded $5 million and $5.8 million under current liabilities, $4.1 million and $5.7 million under other long-term liabilities and $0.1 million and $0.2 million in other assets as of September 30, 2017 and March 31, 2017, respectively to reflect the fair value of the interest rate swaps.

The amount reclassified from AOCL to the interest expense during the six months ended September 30, 2017 and 2016 respectively is $3.2 million and nil.

Counterparty Credit Risk — The use of derivative financial instruments exposes the Company to counterparty credit risk. If the counterparty fails to perform, the Company is exposed to losses if the derivative is in an asset position. When the fair value of a derivative instrument is an asset, the counterparty has to pay the Company to settle the contract. This exposes the Company to credit risk. However, when the fair value of a derivative instrument is a liability, the Company has to pay the counterparty to settle the contract and therefore there is no counterparty credit risk. The Company has established policies and procedures to limit the potential for counterparty credit risk, including establishing credit limits for credit exposure and continually assessing the creditworthiness of counterparties. As a matter of practice, the Company executes derivative contracts with major banks worldwide having good Standard & Poor's and Moody's credit ratings. To further reduce the risk of loss, the Company generally enters into International Swaps and Derivative Association master agreements with substantially all of its counterparties. Master netting agreements provide protection in bankruptcy in certain circumstances and, in some cases, enable receivables and payables with the same counterparty to be offset in the interim condensed consolidated balance sheets, providing for a more meaningful balance sheet presentation of credit exposure. The Company's derivative contracts do not contain any credit risk related contingent factors and do not require collateral or other security to be furnished by the Company or the counterparties.

6. FAIR VALUE

The fair value of the Company's cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate carrying amount because of the short-term nature of these instruments. The Company's cash equivalents are comprised of cash deposited in certificates of deposit with short term maturities.

The carrying amounts and fair values of the Company's financial assets and liabilities as of September 30, 2017 and March 31, 2017 were as follows:

	Level	Balance Sheet Classification	Sepetmber 30, 2017 Carrying Amount	Sepetmber 30, 2017 Fair Value	March 31, 2017 Carrying Amount	March 31, 2017 Fair Value
Assets:						
Interest rate swap	Level 2	Other assets	$ 87	$ 87	$ 190	$ 190
Foreign currency forward & option contracts	Level 2	Other current	2,209	2,209	4,743	4,743
Total			$ 2,296	$ 2,296	$ 4,933	$ 4,933
Liabilities:						
Foreign currency forward & option contracts	Level 2	Other current	$ (1,692)	$ (1,692)	$ (145)	$ (145)
Interest rate swap	Level 2	Other current/ other long-term	(9,126)	(9,126)	(11,557)	(11,557)
Senior secured term loans	Level 1	Current/long term	(911,380)	(913,219)	(915,050)	(915,350)
Total			$ (922,198)	$ (924,037)	$ (926,752)	$ (927,052)

The following methods and assumptions were used by the Company in estimating the fair value of its financial assets and liabilities:

As of September 30, 2017, and March 31, 2017, secured term loans are fair valued based on the available quoted price. The Company classifies the fair value under Level 1 as the quoted price of secured loan available on measurement date.

The Company's interest rate swap agreements are treated as qualified hedges. Fair value is determined in a model valuation based on quoted LIBOR swap rates adjusted for time value of money, credit and non-performance risk. The Company classifies interest rate swap in Level 2, as quoted LIBOR swaps can be corroborated based on observable benchmark market rates at commonly quoted intervals over the full term of the swaps.

The Company classifies all forward contracts and option contracts in Level 2 as quoted prices can be corroborated based on observable market transactions of spot currency rate and forward currency prices.

7. BANK BORROWINGS AND LONG-TERM DEBT

The Company's bank borrowings and long-term debt as of September 30, 2017 and March 31, 2017 consists of the following:

	September 30, 2017	March 31, 2017
Secured term loan		
- First lien term loan	$ 711,380	$ 715,050
- Second lien term loan	200,000	200,000
Revolving credit facility	45,000	25,000
Total debt	956,380	940,050
Less: Current portion	52,340	32,340
Non – current portion	904,040	907,710
Less: Unamortized discount and debt issuance cost	11,803	13,392
Net non – current portion of debt	$ 892,237	$ 894,318

$75 million Revolving Credit Facility — The Company has the ability to borrow up to $75 million under a Senior Secured Revolving Credit facility. Interest accrues on the revolving credit facility at LIBOR plus a 4.5% margin. As on September 30, 2017, the Company has borrowed $45 million from this credit facility. Proceeds from the borrowing were used by the Company to manage its working capital requirements. Non-fund based letters of credit outstanding under the revolving credit facility aggregated to $3.7 million and $4 million as of September 30, 2017 and March 31, 2017, respectively. The outstanding balance of the Credit Facility carried an effective interest rate of 5.74% per annum as at September 30, 2017. Availability under the revolving credit facility after deducting outstanding letters of credit was $26.3 million and $46 million at September 30, 2017 and March 31, 2017, respectively.

During the six months ended September 30, 2017 and 2016 the Company incurred $33 million and $31.6 million as interest expense respectively on its borrowings.

The Company's net weighted-average borrowing cost for all outstanding borrowings was 6.61% and 6.37% as of September 30, 2017 and March 31, 2017, respectively.

(This space has been left blank intentionally)

As of September 30, 2017, the annual scheduled maturities for the Company's bank borrowings and long-term debt were as follows:

Years Ending March 31	Amount
2018 (excluding six months ended September 30, 2017)	$ 48,670
2019	7,340
2020	7,340
2021	7,340
2022 and onwards	885,690
Total	$ 956,380

8. COMMITMENTS AND CONTINGENCIES

Lease Obligations — The Company leases certain facilities under non-cancelable operating leases. The Company also has commitments under capital leases related to leasehold improvement. The operating and capital leases expire in various years through December 2026 and require the following minimum lease payments:

Years Ending March 31	**Operating Leases Amount**	**Capital Leases Amount**
2018 (excluding six months ended Septmber 30, 2017)	$ 5,040	$ 220
2019	5,769	439
2020	4,804	439
2021	2,745	183
2022	2,176	-
Thereafter	9,199	-
	$ 29,733	$ 1,281
Less: Amount representing interest		172
Total of minimum lease payments		$ 1,109
Less: Current portion		345
Long-term capital lease obligation		$ 764

Total rent expense for the six months ended September 30, 2017 and 2016, amounted to $8.9 million and $9.7 million, respectively.

(This space has been left blank intentionally)

The Company has entered into sublease contract of its lease offices which is non-cancelable in nature. Future minimum sublease payments expected to be received under non-cancellable subleases as at September 30, 2017 are, as follows:

Years Ending March 31	**Operating Leases Amount**
2018 (excluding six months ended September 30, 2017)	$ 229
2019	472
2020	242
Total	$ 943

Guarantee Arrangements — The Company enters into guarantee arrangements in the ordinary course of business with certain third-party banking institutions on behalf of its subsidiaries. The estimated outstanding balance for guarantees issued on behalf of the subsidiaries was approximately $3.7 million and $4 million as of September 30, 2017 and March 31, 2017, respectively. As of September 30, 2017, and March 31, 2017, the estimated amount of non-cancellable purchase commitments under contracts was $0.2 million and $0.6 million, respectively.

Legal and Tax Matters —

The Company is subject to various claims and legal actions arising in the ordinary course of business including matters relating to ownership of Bangalore Campus in India, India Service tax, leased premises and others. In these matters, based on expert legal advice, judicial precedents and replies submitted, the Company believes that it has good case and possibility of resolution of the matter against the Company is remote. There has been no material change in any of the above matters during the six months period ended September 30, 2017.

9. EMPLOYEE BENEFIT PLANS

The net gratuity and pension cost for the six months ended September 30, 2017 and 2016, is as follows:

	2017	2016
Net cost:		
Service cost	$ 1,243	$ 1,116
Interest cost	667	598
Expected return on planned assets	(51)	(42)
Amortization of actuarial loss	182	129
Net cost for the six months	$ 2,041	$ 1,801

The Company has contributed $0.01 million to its gratuity plan during the six months ended September 30, 2017. The Company expects to contribute $1.13 million to its gratuity plan during the current fiscal year. The above disclosure is according to Company's best estimate and the actuarial valuation report as obtained by the Company for the year ended March 31, 2017.

10. RELATED-PARTY INFORMATION

Transactions with Kohlberg Kravis Roberts (KKR) — On September 1, 2006, the Company entered into an advisory agreement with KKR to which KKR may provide management, financial advisory and consulting services to the Company. As of September 30, 2017, and March 31, 2017, affiliates of KKR indirectly owned approximately 74.9% and 75.8% of Aricent's shares respectively. The advisory agreement requires the Company to pay a management fee of $1.0 million per year and is subject to a 5% increase each fiscal year effective March 31, 2007. The Company has expensed $0.9 million and $0.8 million for the six months ended September 30, 2017 and 2016, respectively, under the terms of this agreement. The management fees are included in selling, general and administrative expenses in the accompanying interim condensed consolidated statements of operations.

The amounts payable to KKR as of September 30, 2017 and March 31, 2017 are as follows:

	September 30, 2017	March 31, 2017
Management fee	$ 855	$ 814
Reimbursement of expense	4	-
Total	$ 859	$ 814

11. INCOME TAXES

Tax expense for six months ended September 30, 2017 has been computed by the company based on annual effective tax rate in accordance with ASC 740-270.

12. SUBSEQUENT EVENTS

Aricent has entered into an agreement dated November 29, 2017 (as amended and expected to be restated on March 16, 2018, the “A&R Merger Agreement”), pursuant to which, on the terms and subject to the conditions set forth therein and in that certain share purchase agreement to be entered into by Aricent Holdings (AH), Aricent Technologies will be acquired by Octavia Holdco, Inc. (Parent), an indirect subsidiary of Altran Technologies. Successively on the 2 business days immediately following this acquisition, on the terms and subject to the conditions set forth in the A&R Merger Agreement, (i), AH will merge with and into Aricent Cayman Island (ACI) with ACI continuing as the surviving company, and (ii), ACI will merge with and into a wholly owned subsidiary of Parent, with ACI continuing as the surviving company (the “Transactions”). As a result of this last merger, the shares of the current shareholders of ACI would be transferred to Parent. The Transactions are not completed until the issuance date of the special purpose interim condensed consolidated financial statements therefore impact, if any, of the above Transactions haves not been considered in these Financials statements.

* * * * * *