Xchanging Solutions Limited

ANNUAL REPORT 2017-18

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BOARD OF DIRECTORS

Ashok Kumar Ramanathan	-	Independent Director and Chairman
Henry D Souza	-	Independent Director
Kalpana Tatavarti	-	Non-Executive Director
Chandrasekhara Rao Boddoju	-	Managing Director and Chief Executive Officer
Shrenik Kumar Champalal	-	Whole Time Director

CHIEF FINANCIAL OFFICER

Suresh Akella

COMPANY SECRETARY

Mayank Jain

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
ASV Ramana Towers, 52, Venkatnarayana Road,
T Nagar, Chennai, 600017, India

REGISTERED OFFICE

SJR I-Park Plot No. 13, 14, 15
EPIP Industrial Area
Phase I, Whitefield
Bangalore 560 066
Karnataka
Phone +91 80 30540000
Fax +91 80 41157394
Email: compliance@xchanging.com
Website: www.xchanging.com
CIN: L72200KA2002PLC030072

REGISTRAR AND TRANSFER AGENT

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31 - 32
Gachibowli, Financial District,
Nanakramguda,
Hyderabad – 500 032
Phone : 040-67162222
Fax : 040-23001153
Email : einward.ris@karvy.com
Website : www.karvy.com

LIST OF ALL ANNEXURES

A. BOARDS'REPORT

B. CORPORATE GOVERNANCE REPORT

Dear Shareholders,

The Board of Directors ("Board") is pleased to present the Seventeenth Annual Report and the Audited Financial Statement of the Company for the financial year ended 31 March 2018.

A. FINANCIAL RESULTS

The highlights of standalone and consolidated financial results of the Company for the financial year ended 31 March 2018 and 31 March 2017 are as under:

(INR in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	For the Financial year ended 31 Mar 2018 (12 months period)	For the Financial period ended 31 Mar 2017 (15 months period)	For the Financial year ended 31 Mar 2018 (12 months period)	For the Financial period ended 31 Mar 2017 (15 months period)
Total Income	6,641	10,976	20,167	32,117
Total Expenditure	5,239	11,302	15,985	29,813
Profit before Interest, Depreciation and Tax	1,402	(326)	4,182	2,304
Depreciation & Amortization	102	280	117	305
Finance Costs	4	15	4	15
Profit/(Loss) before Tax	1,296	(621)	4,061	1,984
Income Tax (including deferred tax)	735	47	897	156
Net Profit/(Loss) after Tax	561	(668)	3,164	1,828
other Comprehensive Income/ (Expenditure)	29	1	203	(127)
Total Comprehensive Income/ (Expenditure)	590	(667)	3,367	1,701
Earnings/(Loss) per share Rs.	0.50	(0.60)	2.84	1.64

B. REVIEW OF OPERATIONS

During the financial year ended 31 March 2018, the consolidated income of the Company was Rs 20,167 Lakhs as against Rs 32,117 Lakhs during the previous year ended 31 March 2017 (15 months period). At a standalone level, the total income of the Company for the financial year ended 31 March 2018 amounted to Rs 6,641 Lakhs compared to Rs. 10,976 Lakhs during the previous year ended 31 March 2017 (15 months period).

C. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis for the financial year ended 31 March 2018 as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 **("Listing Regulations")** is presented in a separate section and forms an integral part of this Report.

D. DIVIDEND

The Board does not recommend a dividend per equity share.

E. TRANSFER TO RESERVES

During the financial year under review, the Company is not required to transfer any amount to the General Reserve.

F. SUBSIDIARY

In your company has 3 (three) direct subsidiaries and 2 (two) step down subsidiaries for the financial year ended 31 March 2018.

During the financial year ended 31 March 2018 under review, there have been no material changes in the business of the subsidiaries. In terms of Section 129(3) of the Companies Act, 2013 **('Act')**, the Company has prepared a statement containing the salient features of the Financial Statement of subsidiaries in the prescribed Form AOC-1 which is attached to the Financial Statements of the Company.

The Financial Statements of Subsidiary Companies are kept open for inspection by the shareholders at the Registered Office of your Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting ('AGM') as required under Section 136 of the Act. Any member desirous of obtaining a copy of the said financial statements may write to the Company at its Registered Office. The financial statement including the consolidated financial statement and all other documents required to be attached with this report have been uploaded on to the website of your Company viz. http://www.xchanging.com/investor-relations/xsl-content.

G. RELATED PARTY TRANSACTIONS

All Related Party Transactions were placed before the Audit Committee for approval as per the Related Party Transactions Policy of the Company as approved by the Board. The policy is also uploaded on to the website of the company and can be accessed through the link http://www.xchanging.com/investor-relations/xsl-content.

All related party transactions that were entered into during the financial year were on an 'arm's length basis' and were in the ordinary course of business.

Particulars of contracts or arrangements with related parties in the prescribed Form AOC-2, is provided as **Annexure - I** to this Boards' Report.

H. AUDITORS

(i) Statutory Auditors and Auditors' Report

The Shareholders of the Company in the 16th AGM of the Company had appointed M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No. 117366W/W-100018), ("Deloitte") as the Statutory Auditors of the Company to hold office from the conclusion of the 16th AGM till the conclusion of the 20th AGM of the Company subject to ratification of their appointment at every AGM by the shareholders, if required pursuant to the provisions of the Companies Act, 2013. Central Government vide Companies (Amendment) Act, 2017 has amended the provisions of Section 139 of the Act and ratification of appointment of Statutory Auditors in every AGM is no longer required. Therefore, matter relating to ratification of appointment of Deloitte is not required to be placed before the members at the ensuing 17th Annual General Meeting.

The written consent from Deloitte to act as Statutory Auditor along with the certificate in compliance of the provisions of the Companies Act, 2013 has been received

The Statutory Auditors had carried out audit of financial statements of the Company for the financial year ended 31 March 2018 pursuant to the provisions of the Act. The reports of Statutory Auditors forms part of the Annual Report. The reports are self-explanatory and does not contain any qualifications, reservations or adverse remarks.

(ii) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Ankush Agarwal (M/s. Ankush Agarwal & Associates, Company Secretaries), to undertake the Secretarial Audit of the Company. Accordingly, in terms of provisions of Section 204(1) of the Act, a Secretarial Audit Report given by the Secretarial Auditor of the Company in prescribed Form MR-3 is provided as **Annexure -II**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

I. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

Details of loan, Guarantee and Investment covered under Section 186 of the Act are provided in the notes to financial statements.

J. PUBLIC DEPOSITS

Your Company has neither invited nor accepted any deposits from public within the meaning of Section 73 of the Act read with Companies (Acceptance of Deposits) Rules 2014 during the period under review.

K. EMPLOYEES

(i) Key Managerial Personnel (KMP)

The following have been designated as the Key Managerial Personnel of the Company pursuant to Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

a) Mr. Srikrishna Madhavan– Managing Director and Chief Executive Officer (from 11.11.2016 to 13.10.2017)
b) Mr. Ramaswamy Sankaranarayanan Kavalapara – Managing Director (Interim) and Chief Executive Officer (Interim) (From 14.10.2017 to 30.03.2018)
c) Mr. Shrenik Kumar Champalal - Whole Time Director and Chief Executive Officer (Interim) (From 31.03.2018 onwards). He resigned as Chief Executive Officer (Interim) on 08.08.2018.
d) Mr. Suresh Akella- Chief Financial Officer (From 29.05.2017 onwards)
e) Mr. Mayank Jain - Company Secretary (From 26.02.2016 onwards)

(ii) Employees' Stock Option Plan (ESOP)

ESOP scheme has been lapsed and consummated during the year ended 31 December 2015 and therefore, during the period under review no ESOP scheme exists in the Company.

(iii) Particulars of Employees and Related Disclosures

The statement of Disclosure of Remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules"), is appended as **Annexure-III** to the Report. The information as per Rule 5(2) of the Rules, forms part of this Report. However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Rules, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. The same are available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

L. BOARD AND COMMITTEES

(i) Directors

The following Directors have been appointed or resigned during the year

S. No.	Name	Designation	Appointment Date	Resignation Date
1	Srikrishna Madhavan	Managing Director and Chief Executive Officer	11 November 2016	13 October 2017
2	Ramaswamy Sankaranarayanan Kavalapara	Managing Director (Interim) and Chief Executive Officer (Interim)	14 October 2017	30 March 2018
3	Shrenik Kumar Champalal	Whole Time Director and Chief Executive Officer (Interim)	31 March 2018	Chief Executive Officer (Interim)- 8 August 2018
4	Chandrasekhara Rao Boddoju	Managing Director and Chief Executive Officer	9 August 2018	-
5	Rekha Murthy	Independent Director	29 May 2017	22 February 2018
6	Gidugu Kalpana Tatavarti	Non-Executive Director	27 March 2018	-
7	Srinivasa Raghavan Venkatavaradhan	Non-Executive Director	6 June 2016	7 September 2017

Based on the recommendation of the Nomination and Remuneration Committee, appointment of Mr. Shrenik Kumar Champalal as Whole Time Director, Ms. Gidugu Kalpana Tatavarti as Non-Executive Director and Mr. Chandrasekhara Rao Boddoju as Managing Director are recommended for your approval in the ensuing Annual General Meeting. The Company has received requisite notices in writing from member(s) of the Company proposing the candidature of Directors of the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of Listing Regulations.

Brief resume and other details relating to the directors, who are to be appointed/ re-appointed as stipulated under Regulation 36(3) of the Listing Regulations and Secretarial Standards issued by ICSI, are furnished in the Notice of Annual General Meeting forming part of the Annual Report.

(ii) Board Evaluation

Pursuant to the provisions of Section 134(3)(p) of the Act and Regulation 4 of Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, and the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

(iii) Remuneration Policy

The Remuneration Policy as approved by the Board on the recommendation of the Nomination and Remuneration Committee is available at http://www.xchanging.com/investor-relations/xsl-content.

(iv) Board/Committee Composition and Meetings

A calendar of meetings is prepared and circulated in advance to the Directors. The details of composition of Board and Committee and their meetings held during the year are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

(v) Familiarization Programme and Separate Meeting of Independent Director's

During the financial year ended 31 March 2018, one separate meeting of the Independent Directors of the Company was held on 13 September 2017 respectively without the attendance of Non-Independent Directors and the Management team.

During their meeting held on 13 September 2017, the Independent Directors discussed the matters specified in Schedule IV of the Act and Regulation 25 of the Listing Regulations.

The Nomination and Remuneration Committee of the Company at its meeting held on 27 February 2015 had approved a familiarization programme for Independent Directors of the Company. The Familiarization programme for Independent Directors is available at http://www.xchanging.com/investor-relations/xsl-content.

(vi) Audit Committee

This Committee comprises the following Directors viz. Mr. Ashok Kumar Ramanathan (Chairman of the Committee), Mr. Srinivasa Raghavan Venkatavaradhan (till 7 September 2017), Mr. Henry D Souza, Ms. Rekha Murthy (from 29 May 2017 to 22 February 2018), Ms. Gopika Pant (till 29 May 2017), Ms. Gidugu Kalpana Tatavarti (from 27 March 2018 to 17 July 2018) and Mr. Shrenik Kumar Champalal (From 31 March 2018 onwards). The Company Secretary acts as the Secretary to the Committee.

All the recommendations of the Audit Committee were accepted by the Board.

(vii) Directors' Responsibility Statement

Pursuant to section 134(5) of the Act, your Directors, based on the representations received from the Management and after due enquiry confirms that:

(a) in the preparation of the annual accounts for the financial year ended 31 March 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the Directors have selected accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2018 and of the profit of the Company for the financial year ended on that date;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors have laid down adequate Internal Financial Controls to be followed by the Company and such Internal Financial Controls were adequate and operating effectively during the financial year ended 31 March 2018; and

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively throughout the financial year ended 31 March 2018.

M. GOVERNANCE

(i) Corporate Governance

The Company is committed to uphold the highest standards of Corporate Governance and to adhere to the requirements set out by the Securities and Exchange Board of India. A detailed report on Corporate Governance along with the Certificate of Mr. Ankush Agarwal (M/s Ankush Agarwal & Associates, Company Secretaries), confirming compliance with conditions of Corporate Governance as stipulated under Schedule V of the Listing Regulations forms an integral part of this Report.

(ii) Vigil Mechanism / Whistle Blower Policy

The Company has established a whistle blower policy and also established a mechanism for directors and employees to report their concerns. The details of the same are explained in the Corporate Governance Report. The web-link to the Vigil Mechanism/Whistle Blower Policy is available at http://www.xchanging.com/investor-relations/xsl-content.

(iii) Risk Management

The Company has a Risk Management process which provides an integrated approach for managing the risks in various aspects of the business. The detailed framework is provided in the management discussion and analysis.

(iv) Internal Financial Controls

Your Company has in place adequate internal financial controls with reference to the financial statements.

(v) Disclosure under the Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee ("ICC") has been set up to redress the complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of the complaints received and disposed off during the financial year ended 31 March 2018:

a) No. of complaints received: Nil

b) No. of complaints disposed off: Nil

The Company has complied with provisions relating to the constitution of Internal constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

N. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Corporate Social Responsibility Committee had formulated and recommended a Corporate Social Responsibility Policy to the Board of the Company which was subsequently adopted and implemented by the Company. The web-link to the CSR Policy is available at http://www.xchanging.com/investor-relations/xsl-content.

The detailed Annual Report on CSR activities is annexed herewith and marked as **Annexure - IV**

O. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information as per Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Research & Development, Technology Absorption and Foreign Exchange Earning and Outgo is annexed herewith as **Annexure - V**

P. OTHER DISCLOSURE

(i) Share Capital

There was no change in the paid- up share capital of the Company. As on 31 March 2018, the paid -up capital of the Company was Rs. 1,114,037,160. This comprises 111,403,716 equity shares of Rs. 10/- each fully paid-up.

The Company has not issued any sweat equity shares or equity shares with differential rights during the financial year.

(ii) Open Offer

The brief details of Mandatory Open Offer are given herein below:

Open offer for acquisition of up to 2,36,49,767 fully paid up equity shares of face value of INR 10 each ("Offer Shares") representing 21.23% of the fully diluted voting share capital of Xchanging Solutions Limited ("Target Company") from the public shareholders of the Target Company ("Public Shareholders") by Xchanging Technology Services India Private Limited ("Acquirer") together with Computer Sciences Corporation India Private Limited ("PAC 1") and DXC Technology Company ("PAC 2") (PAC 1 and PAC 2 are collectively referred to as "PAC") as the persons acting in concert with the Acquirer pursuant to and in compliance with Regulations 3(1), 4, and 5(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("Takeover Regulations") at an offer price of INR 55.22 per Offer Share ("Offer") .

This Offer was being made in accordance with Regulations 3(1), 4, and 5(1) of the Takeover Regulations as a result of an indirect acquisition of 78.77% of the voting rights in and control by PAC 2 over the Target Company.

This Offer was a mandatory open offer being made by the Acquirer and PAC to the Public Shareholders pursuant to Regulations 3(1), 4, and 5(1) of the Takeover Regulations. The Offer was being made on account of the Merger Agreement dated 24 May 2016 (which was further amended on 2 November 2016 and 6 December 2016) entered into inter alia between Hewlett Packard Enterprise Company, Computer Sciences Corporation and PAC 2. The transactions contemplated under the Merger Agreement were completed on 1 April 2017.

The Acquirer and PAC had made the Public Announcement on 17 November 2017, Detailed Public Statement ("DPS") published on 24 November 2017 and the draft letter of offer with respect to the Offer ("DLoF") was filed with SEBI on 30 November 2017.

SEBI has issued observation letter bearing reference no. SEBI/HO/CFD/DCR1/OW/P/2018/13149/1 on 2 May 2018 ("SEBI Letter"). The revised schedule of activities relating to the Offer made in the DLoF, was issued in all the newspapers in which the DPS was published in terms of the SEBI Letter.

The tendering period commenced on 18 May 2018 & closed on 30 May 2018

During this period 13,398,299 shares have been tendered and acquirer along with PAC has paid the consideration on 11 June 2018 at Rs. 55.22 per share to the shareholders, who had tendered shares in the open offer;

The process of mandatory Open Offer had been completed and the Merchant Banker to the Offer has published the post Open Offer advertisement in newspapers.

(iii) Statutory Disclosures

None of the Directors of your Company are disqualified as per provision of Section 164(2) of the Act. The Directors of the Company have made necessary disclosures as required under various provisions of the Act and the Listing Regulations.

(iv) Extract of Annual Return

Pursuant to Sub-section 3(a) of Section 134 and Sub-section (3) of Section 92 of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on 31 March 2018 in Form MGT - 9 is attached herewith as **Annexure -VI** and forms a part of this Report.

(v) Compliance of Secretarial Standards

During the financial year under review, the Company has complied with applicable Secretarial Standards on Board and General Meetings specified by the Institute of Company Secretaries of India pursuant to Section 118 of the Companies Act, 2013.

ACKNOWLEDGEMENTS:

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the Company's Bankers, Regulatory Bodies and Stakeholders including other business associates who have extended their valuable sustained support and encouragement during the year under review.

Your Directors also wish to place on record their deep sense of gratitude and appreciation for the commitment displayed by executives, officers and staff at all levels of the Company, resulting in the successful performance of the Company during the year under review. We look forward to your continued support in the future.

For and on behalf of the Board of Directors,

Ashok Kumar Ramanathan **Chairman** **(Independent Director)**	**Chandrasekhara Rao Boddoju** **Managing Director &** **Chief Executive Officer**
Place : Bangalore **Date : 9 August 2018**	**Place : Bangalore** **Date : 9 August 2018**

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis –**
   (a) Name(s) of the related party and nature of relationship: Nil
   (b) Nature of contracts/arrangements/transactions**:** Nil
   (c) Duration of the contracts / arrangements/transactions: NA
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
   (e) Justification for entering such contracts or arrangements or transactions: NA
   (f) Date(s) of approval by the Board: NA
   (g) Amount paid as advances, if any: NA
   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NA

2. **Details of material contracts or arrangement or transactions at arm's length basis**
   (a) Name(s) of the related party and nature of relationship: Xchanging Solutions USA INC, Wholly owned subsidiary of the Company
   (b) Nature of contracts/arrangements/transactions: Software Services
   (c) Duration of the contracts / arrangements/transactions: Ongoing
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Xchanging Solutions (USA) Inc is providing software services to Xchanging Solutions Limited from time to time as per the terms in the agreement.
   (e) Date(s) of approval by the Board, if any: NA
   (f) Amount paid as advances, if any: Nil

For and on behalf of the Board of Directors,

Ashok Kumar Ramanathan
Chairman (Independent Director)

Place: Bangalore
Date:9 August 2018

Chandrasekhara Rao Boddoju
Managing Director & Chief Executive Officer

Place: Bangalore
Date: 9 August 2018

MR-3
Secretarial Audit Report

For the Financial period ended 31 March 2018
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Xchanging Solutions Limited
SJR I Park, Plot No.13, 14, 15
EPIP Industrial Area, Phase 1
Whitefield, Bangalore, Karnataka-560 066
CIN: L72200KA2002PLC030072

I have conducted secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s. Xchanging Solutions Limited (hereinafter called "the Company"). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. Xchanging Solutions Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial period ended on 31 March 2018 *(Commencing from 1 April 2017 to 31 March 2018)*, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent based on the management representation letter/ confirmation received from the management, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with my letter dated 21 May 2018 annexed to this report as **Annexure – A.**

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial period ended on 31 March 2018 according to the applicable provisions of:
   i) The Companies Act, 2013 (the Act) and the rules made thereunder;
   ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   iii) The Depositories Act, 1996 and the regulations and bye–laws framed thereunder;
   iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
   v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act):–
      I. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      II. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
      III. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 *(Not applicable to the Company during the Audit period);*
      IV. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 *(Not applicable to the Company during the Audit period);*
      V. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(Not applicable to the Company during the Audit period);*
      VI. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *(Not applicable to the Company during the Audit period);*

VII. The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the companies Act and dealing with clients; and

VIII. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *(Not applicable to the Company during the Audit period).*

2. I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents, records, management confirmations in pursuance thereof, on test check basis, the Company has complied with Information Technology Act, 2000 and the rules made there under, applicable specifically to the Company, during the financial year 01 April 2017 to 31 March 2018.

3. I have also examined compliance with the applicable clauses of the following:

   i) Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to board and general meetings; and

   ii) The Listing Agreements entered into by the Company with the National Stock Exchange of India Limited and the BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

4. During the period under review, to the best of my knowledge and belief and according to the information and explanations given to me, the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned above, to the extent applicable.

5. I further report that:

   i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non–Executive Directors and Independent Directors. The Board also has a woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

   ii) Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings was sent at least seven days in advance and where any Board Meeting was held on shorter notice the same was conducted in compliance with the Act. A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.

   iii) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

   iv) I further report that during the audit period the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines etc.

   With reference to above, the Company on 26 October 2017 had received a Notice, through an e-mail, from the BSE Limited with respect to Minimum Public Shareholding ("MPS") requirements specified in rules 19(2) and 19A of the Securities Contracts (Regulation) Rules, 1957.

   The Company on 1 November 2017 replied on the above that in terms of the Rule 19A(2) of the Securities Contracts (Regulation) Rules, 1957, the Company is required to increase MPS to permissible limit of 25% within 12 months from the date of such fall and since the maximum non-public shareholding was crossed pursuant to the Open Offer on 6 January 2017, the Company has time until 5 January 2018 to bring the promoter shareholding to 75%.

   The Company on 7 January 2018 further informed to the National Stock Exchange of India Limited and BSE Limited that in terms of Regulation 25(4) of the Takeover Regulations, an acquirer and persons acting in concert with the acquirer are not permitted to sell their equity shares during the 'offer period'. Accordingly, the 'offer period' for the Current Open Offer commenced on 24 May 2016 and is currently ongoing. Based on the foregoing, the promoters of the Target Company are unable to comply with minimum public shareholding requirements by way of offer for sale until the Current Open Offer gets concluded on account of the said restriction under the Takeover Regulations.

The Company received further communication from BSE Limited on 17 May 2018 with respect to the MPS requirement. The Company on 21 May 2018, replied to this communication stating that:

(a) on account of the offer period for the current open offer continuing, the acquirer could not sell their equity shares to comply with MPS requirements; and

(b) the offer period for the Current Open Offer is expected to expire on 14 June 2018, being the last date of payment to the public shareholders who have tendered in the Current Open Offer. The promoters will take necessary steps after 14 June 2018 to comply with the minimum public shareholding requirement.

Ankush Agarwal & Associates
Company Secretaries

Ankush Agarwal
Proprietor
Membership No: A21125
Certificate of Practice No: 14486

Date: 21 May 2018
Place: New Delhi

Annexure –A to Secretarial Audit Report dated 21 May 2018

To,
The Members,
Xchanging Solutions Limited
SJR I Park, Plot no. 13, 14, 15
EPIP Industrial Area, Phase 1
Whitefield, Bangalore Karnataka- 560 066
[CIN: L72200KA2002PLC030072]

My Secretarial Audit Report dated 21 May 2018 is to be read with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to make a report based on the secretarial records produced for my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices we followed provide a reasonable basis for my report.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit.
4. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
5. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Ankush Agarwal & Associates
Company Secretaries

Ankush Agarwal
Proprietor
Membership No: A21125
Certificate of Practice No: 14486

Date: 21 May 2018
Place: New Delhi

Details of Remuneration

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended:

Name & Designation	Ratio to Median XSL Remuneration
Srikrishna Madhavan- Managing Director & CEO (Till 13 October 2017)	NA
Ramaswamy Sankaranarayanan Kavalapara- Managing Director (Interim) & CEO (Interim) (from 14 October 2017 to 30 March 2018)	
Shrenik Kumar Champalal- Whole Time Director (From 31 March 2018 onwards) and CEO (Interim) (From 31 March 2018 to 8 August 2018)	

Above Said Directors are appointed or resigned during the year. Since the information is for part of the year. Hence, Ratio to Median is not comparable.

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year ended:

Name & Designation	% increase in XSL remuneration in the financial period ended 31 March 2018
Srikrishna Madhavan- Managing Director & CEO (Till 13 October 2017)	-
Ramaswamy Sankaranarayanan Kavalapara- Managing Director (Interim) & CEO (Interim) (From 14 October 2017 to 30 March 2018)	-
Shrenik Kumar Champalal- Whole Time Director (From 31 March 2018 onwards) and CEO (Interim) (From 31 March 2018 to 8 August 2018)	
Suresh Akella- Chief Financial Officer (From 29 May 2017 onwards)	-
Mayank Jain-Company Secretary (From 26 February 2016 onwards)	16%

Above said director, Chief Financial Officer and Chief Executive Officer are appointed or resigned during the year. Since the information is for part of the year. Hence, the same is not comparable.

(iii) The percentage increase in the median remuneration of employees in the financial year ended 31 March 2018: 4.6%

(iv) The number of permanent employees on the rolls of company: 217

(v) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year is 4.02%.

(vi) Comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Not Applicable as Managerial personnel(s) are appointed/resigned during the year.

(vii) Affirmation that the remuneration is as per the remuneration policy of the company: Yes, remuneration is as per the remuneration policy of the Company.

Corporate Social Responsibility

Annual Report of Corporate Social Responsibility (CSR) Activities for the Financial Year ending 31 March 2018:

1. **A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR Policy and projects or programs:**

   CSR Policy:

   Corporate Social Responsibility at Xchanging Solutions Limited originates from the ideology of providing sustainable value to the society. In this direction, the company has adopted its CSR policy striving for economic and social development that positively impacts the society at large. In doing so build a better, sustainable way of holistic life for the marginalized and underprivileged sections of the society and work towards raising the country's human development index. Through the small contribution, the company aspires to improve the quality of life of people at the bottom of pyramid.

   CSR Policy of the company provides the overview of projects or programs which are proposed to be undertaken by the Company.

   The CSR Policy of the Company can be accessed at the company's website through the link: http://www.xchanging.com/investor-relations/xsl-content

2. **Composition of the CSR Committee**

Name	Designation	Role in CSR Committee
Ashok Kumar Ramanathan	Independent Director	Chairman
Henry D Souza	Independent Director	Member
Gidugu Kalpana Tatavarti (From 27 March 2018 onwards)	Non-Executive Director	Member
Shrenik Kumar Champalal (From 31 March 2018 onwards)	Executive Director (Whole Time Director)	Member

3. **Average net profit of the Company for last three financial years:** Rs 1,024 lakhs
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** Rs 20.50 lakhs
5. **Details of CSR spent during the financial year:**
   a) **Total amount to be spent for the financial year:** Rs 20.50 Lakhs
   b) **Amount unspent, if any:** Nil

c) Manner in which the amount spent during the financial year is detailed below: (INR in Lakhs)

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programme: i) Local area or other ii) Specify the State or District where the projects or programmes was undertaken	Amount outlay (Budget) project or programme wise	Amount spent on project or programs: Sub head:	Cumulative expenditure up to the date of reporting	Amount spent: Direct or through implementing agencies
1.	To provide education to under privileged students	Promoting education, including special education	Chennai, Tamil Nadu	10.50	10.50	10.50	Through a registered trust-Bhumi
2.	To provide mid-day meals to students of government school in Bangalore	Eradicating hunger, poverty and malnutrition	Bangalore, Karnataka	10	10	10	Through a registered trust-The Akshaya Patra Foundation
	Total			20.50	20.50	20.50	

About Bhumi :

Bhumi is one of India's largest independent and youth volunteer non-profit organisations. It was founded on 15 August 2006. The organisation provides youngsters a platform to serve the society and bridges the gap between the educated and the uneducated. Bhumi as a platform enables over 12,000 volunteers in more than 14 cities across India for causes like education, environment, animals and community welfare.

The volunteers at Bhumi educate and mentor children from orphanages, slum and village community centres across the country to give them a better future, which will benefit them as well as our country. The learning experience is mutual – the volunteers gain perspective and the experience to mould themselves into tomorrow's leaders. Bhumi's mission is to drive social change by fostering an environment where young adults & children learn, lead and thrive.

About Akshaya Patra:

The Akshaya Patra Foundation is a not-for-profit organisation headquartered in Bengaluru, India The organisation strives to eliminate classroom hunger by implementing the Mid-Day Meal Scheme in the government schools and government-aided schools. Akshaya Patra also aims at countering malnutrition and supporting the right to education of socio-economically disadvantaged children. Akshaya Patra has been concerting all its efforts towards providing fresh and nutritious meals to children on every single school day. They are continuously leveraging technology to multiply our reach. The state-of-the-art kitchens have become a subject of study and have attracted curious visitors from around the world.

Their partnership with the Government of India and various State Governments, along with the persistent support from corporates, individual donors, and well-wishers have helped them to grow from serving just 1,500 children in 5 schools in 2000 to serving 1.7 million children in 14,173 schools.

Akshaya Patra is the world's largest (not-for-profit run) Mid-Day Meal Programme serving wholesome food every school day to over 1.7 million children from 14,173 schools across 12 states in India.

6. **In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report :** Not Applicable

7. CSR Committee hereby confirms that the implementation and monitoring of CSR policy is in Compliance with CSR objectives and CSR Policy of the company.

For Xchanging Solutions Limited

Date : 24 May 2018 **Ashok Kumar Ramanathan**
Place : Bangalore **Chairperson - CSR Committee**

Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo –

A. Conservation of Energy

The operations of your company are not energy intensive. However, adequate measures have been taken to reduce energy efficient computer terminals.

B. Technology Absorption

Your company has continued its endeavour to develop and absorb advanced technologies for its various offering range to meet the requirements of a globally competitive market and to meet the technology requirements for the future.

C. Foreign Exchange Earnings and Outgo:

(INR in Lakhs)

Particulars	**31 Mar 2018 (Twelve months period)**	**31 Mar 2017 (Fifteen months period)**
Total Foreign Exchange earnings	4,307	8,813
Total Foreign Exchange outgo	373	827

EXTRACT OF ANNUAL RETURN
FORM MGT -9
(AS ON THE FINANCIAL YEAR ENDED ON 31 MARCH 2018)
Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014

1. Registration and other details of Company :

i)	CIN	L72200KA2002PLC030072
ii)	Registration Date	01 February 2002
iii)	Name of the Company	Xchanging Solutions Limited
iv)	Category / Sub-Category of the Company	Company Limited by shares
v)	Address of the Registered office and contact details	SJR I –Park, Plot no. 13,14, 15 EPIP Industrial Area, Phase I, Whitefield, Bangalore- 560066 Telephone no: +918030540000 Email id:compliance@xchanging.com
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact Details of Registrar and Transfer Agent	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31- 32 Gachibowli, Financial District, Nanakramguda Hyderabad – 500 032

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated: -

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Computer programming activities	6201	100

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the company	CIN/ GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1.	Xchanging Mauritius Limited	NA	Holding	52.07	2(46)
2.	Xchanging Solutions (Europe) Limited, UK	NA	Subsidiary	100.00	2(87)
3.	Xchanging Solutions (Singapore)Pte Limited, Singapore	NA	Subsidiary	100.00	2(87)
4.	*Xchanging Solutions (Malaysia) Sdn Bhd, Malaysia	NA	Subsidiary	100.00	2(87)
5.	Xchanging Solutions (USA) Inc, USA	NA	Subsidiary	100.00	2(87)
6.	Nexplicit Infotech India Private Limited* (Company is in Liquidation)	U72200 KA2004 PTC047543	Subsidiary	100.00	2(87)

*Xchanging Solutions (Malaysia) Sdn Bhd, Malaysia and Nexplicit Infotech India Private Limited is a step-down subsidiary of the Company.

4. **SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

a) **Category -wise Shareholding**

Category of Shareholders	No.of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	0	0	0	0.0	0	0	0	0.0	0
b) Central Govt	0	0	0	0.0	0	0	0	0.0	0
c) State Govt(s)	0	0	0	0.0	0	0	0	0.0	0
d) Bodies Corp	25551115	4200047	29751162	26.71	29751162	0	29751162	26.71	0
e) Banks / FI	0	0	0	0.0	0	0	0	0.0	0
f) Any Other	0	0	0	0.0	0	0	0	0.0	0
Subtotal(A)(1): -	25551115	4200047	29751162	26.71	29751162	0	29751162	26.71	0.0
2) Foreign									
g) Individuals (NRI/ Foreign Individual)	0	0	0	0.00	0	0	0	0	0.00
h) Institutions	0	0	0	0.00	0	0	0	0	0.00
i) Bodies Corp.	58002787	0	58002787	52.07	58002787	0	58002787	52.07	0.00
j) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0	0.00
k) Any Other	0	0	0	0.00	0	0	0	0	0.00
Sub-total (A)(2): -	58002787	0	58002787	52.07	58002787	0	58002787	52.07	0.00
Total shareholding of Promoter (A) = (A1) + (A2)	83553902	4200047	87753949	78.77	87753949	0	87753949	78.77	0.0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	300	0	300	0.00	300	0	300	0.00	0.0
b) Banks / FI	403882	0	403882	0.36	413244	0	413244	0.37	-0.01
c) Central Govt/State Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	545	0	545	0.00	0.00
h) Foreign Venture Capital Funds	0		0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	404182	0	404182	0.36	414089	0	414089	0.37	**-0.01**

Category of Shareholders	No.of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	13038235	10937	13049172	11.71	13896419	10937	13907356	12.48	-0.77
b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	4454497	91190	4545687	4.08	3758139	86988	3845127	3.45	0.63
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2488677	0	2488677	2.23	2401834	0	2401834	2.16	0.08
c) Others(Specify)									
Clearing Members	83909	0	83909	0.08	2655	0	2655	0.00	0.07
Foreign Bodies	3008287	0	3008287	2.70	3008287	0	3008287	2.70	0.00
Foreign Nationals	12437	0	12437	0.01	12437	0	12437	0.01	0.00
Non-resident Indians	32226	5527	37753	0.03	24228	5527	29755	0.03	0.01
NRI non-repatriation	17042	0	17042	0.02	21591	0	21591	0.02	0.00
Overseas corporate bodies	300	0	300	0.00	300	0	300	0.00	0.00
NBFC	2100	0	2100	0.01	6115	0	6115	0.01	0.00
Trusts	221	0	221	0.00	221	0	221	0.00	0.00
Qualified Foreign Investor	0	0	0	0.0	0	0	0	0.00	0.00
Sub-total (B)(2)	23137931	107654	23245585	20.87	23132226	103452	23235678	20.86	0.01
Total Public Shareholding (B)=(B)(1) + (B)(2)	23542113	107654	23649767	21.23	23546315	103452	23649767	21.23	0.0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.0	0	0	0	0.0	0
Grand Total(A+B+C)	107096015	4307701	111403716	100.00	111300264	103452	111403716	100.00	

b) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	% change in share holding during the year
1	Xchanging Mauritius Limited	58002787	52.07	Nil	58002787	52.07	Nil	Nil
2	Xchanging Technology Services India Private Limited	25550000	22.93	Nil	25550000	22.93	Nil	Nil
3.	DXC Technology India Private Limited	4201162	3.77	Nil	4201162	3.77	Nil	Nil

c) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Xchanging Mauritius Limited	58002787	52.07	58002787	52.07
2.	Xchanging Technology Services India Private Limited	25550000	22.93	25550000	22.93
3.	DXC Technology India Private Limited	4201162	3.77	4201162	3.77

There is no change in the Promoter's shareholding during the year

d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Type	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company					No of Shares	% of total shares of the company
1	EDELWEISS CUSTODIAL	11691008	10.49	31/03/2017	Opening Balance			11691008	10.49
	SERVICES LTD			26/05/2017	Sale	-216667	Transfer	11474341	10.30
	(Edelweiss			02/06/2017	Purchase	13355	Transfer	11487696	10.31
	Custodial Services			02/06/2017	Sale	-1503	Transfer	11486193	10.31
	Limited has been			09/06/2017	Purchase	5000	Transfer	11491193	10.31
	holding shares			23/06/2017	Purchase	40	Transfer	11491233	10.31
	as collateral on			07/07/2017	Purchase	4512	Transfer	11495745	10.32
	behalf of			07/07/2017	Sale	-4512	Transfer	11491233	10.31
	Scandent Holding			14/07/2017	Sale	-11478341	Transfer	12892	0.01
	Mauritius Limited)			21/07/2017	Sale	-1000	Transfer	11892	0.01

S. No	Name of the Share Holder	Shareholding beginning at the of theYear		Date	Type	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company					No of Shares	% of total shares of the company
				28/07/2017	Purchase	500	Transfer	12392	0.01
				25/08/2017	Sale	-549	Transfer	11843	0.01
				01/09/2017	Purchase	199	Transfer	12042	0.01
				22/09/2017	Sale	-3517	Transfer	8525	0.01
				29/09/2017	Purchase	1500	Transfer	10025	0.01
				06/10/2017	Purchase	2880	Transfer	12905	0.01
				06/10/2017	Sale	-1500	Transfer	11405	0.01
				20/10/2017	Purchase	17340	Transfer	28745	0.03
				20/10/2017	Sale	-150	Transfer	28595	0.03
				27/10/2017	Sale	-1540	Transfer	27055	0.02
				31/10/2017	Purchase	100	Transfer	27155	0.02
				10/11/2017	Sale	-500	Transfer	26655	0.02
				24/11/2017	Purchase	11050	Transfer	37705	0.03
				01/12/2017	Sale	-18950	Transfer	18755	0.02
				08/12/2017	Purchase	30	Transfer	18785	0.02
				15/12/2017	Purchase	3051	Transfer	21836	0.02
				22/12/2017	Purchase	455	Transfer	22291	0.02
				29/12/2017	Purchase	100	Transfer	22391	0.02
				05/01/2018	Purchase	870	Transfer	23261	0.02
				12/01/2018	Purchase	7153	Transfer	30414	0.03
				19/01/2018	Purchase	3344	Transfer	33758	0.03
				26/01/2018	Sale	-2251	Transfer	31507	0.03
				02/02/2018	Purchase	3400	Transfer	34907	0.03
				09/02/2018	Purchase	250	Transfer	35157	0.03
				16/02/2018	Sale	-1352	Transfer	33805	0.03
				23/02/2018	Sale	-28403	Transfer	5402	0.00
				02/03/2018	Purchase	110	Transfer	5512	0.00
				16/03/2018	Purchase	310	Transfer	5822	0.01
				16/03/2018	Sale	-210	Transfer	5612	0.01
				23/03/2018	Sale	-99	Transfer	5513	0.00
				30/03/2018	Purchase	1374	Transfer	6887	0.01
				31/03/2018	Closing Balance			6887	0.01
2	EDELWEISS SECURITIES LTD	0	0.00	31/03/2017	Opening Balance			0	0.00
				14/07/2017	Purchase	11474341	Transfer	11474341	10.30
				12/01/2018	Sale	-43000	Transfer	11431341	10.26
				19/01/2018	Sale	-60492	Transfer	11370849	10.21
				31/03/2018	Closing Balance			11370849	10.21

S. No	Name of the Share Holder	Shareholding beginning at the of theYear		Date	Type	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company					No of Shares	% of total shares of the company
3	KATRA FINANCE LIMITED	3008287	2.70	31/03/2017	Opening Balance			3008287	2.70
				31/03/2018	Closing Balance			3008287	2.70
4	GLOBE CAPITAL MARKET LTD	84990	0.08	31/03/2017	Opening Balance			84990	0.08
				14/04/2017	Purchase	641	Transfer	85631	0.08
				21/04/2017	Purchase	500	Transfer	86131	0.08
				05/05/2017	Purchase	500	Transfer	86631	0.08
				12/05/2017	Sale	-600	Transfer	86031	0.08
				26/05/2017	Purchase	367530	Transfer	453561	0.41
				26/05/2017	Sale	-850	Transfer	452711	0.41
				02/06/2017	Purchase	249149	Transfer	701860	0.63
				09/06/2017	Purchase	198078	Transfer	899938	0.81
				16/06/2017	Purchase	77349	Transfer	977287	0.88
				16/06/2017	Sale	-423	Transfer	976864	0.88
				23/06/2017	Purchase	67184	Transfer	1044048	0.94
				30/06/2017	Purchase	14733	Transfer	1058781	0.95
				30/06/2017	Sale	-100	Transfer	1058681	0.95
				07/07/2017	Purchase	65604	Transfer	1124285	1.01
				14/07/2017	Purchase	6325	Transfer	1130610	1.01
				14/07/2017	Sale	-100	Transfer	1130510	1.01
				21/07/2017	Purchase	7179	Transfer	1137689	1.02
				21/07/2017	Sale	-13959	Transfer	1123730	1.01
				28/07/2017	Purchase	43307	Transfer	1167037	1.05
				04/08/2017	Purchase	41894	Transfer	1208931	1.09
				11/08/2017	Purchase	3050	Transfer	1211981	1.09
				11/08/2017	Sale	-17302	Transfer	1194679	1.07
				18/08/2017	Purchase	14377	Transfer	1209056	1.09
				25/08/2017	Purchase	1858	Transfer	1210914	1.09
				25/08/2017	Sale	-1184	Transfer	1209730	1.09
				01/09/2017	Purchase	2200	Transfer	1211930	1.09
				01/09/2017	Sale	-2000	Transfer	1209930	1.09
				08/09/2017	Purchase	24679	Transfer	1234609	1.11
				15/09/2017	Purchase	300	Transfer	1234909	1.11
				15/09/2017	Sale	-31207	Transfer	1203702	1.08
				22/09/2017	Sale	-113121	Transfer	1090581	0.98
				29/09/2017	Purchase	108509	Transfer	1199090	1.08
				29/09/2017	Sale	-1020	Transfer	1198070	1.08
				06/10/2017	Purchase	40863	Transfer	1238933	1.11

S. No	Name of the Share Holder	Shareholding beginning at the of the Year		Date	Type	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company					No of Shares	% of total shares of the company
				06/10/2017	Sale	-43875	Transfer	1195058	1.07
				13/10/2017	Purchase	33695	Transfer	1228753	1.10
				13/10/2017	Sale	-2427	Transfer	1226326	1.10
				20/10/2017	Purchase	72170	Transfer	1298496	1.17
				20/10/2017	Sale	-42000	Transfer	1256496	1.13
				27/10/2017	Purchase	187663	Transfer	1444159	1.30
				31/10/2017	Purchase	4176	Transfer	1448335	1.30
				03/11/2017	Sale	-1800	Transfer	1446535	1.30
				10/11/2017	Purchase	25420	Transfer	1471955	1.32
				10/11/2017	Sale	-1517	Transfer	1470438	1.32
				17/11/2017	Purchase	18188	Transfer	1488626	1.34
				24/11/2017	Purchase	2000	Transfer	1490626	1.34
				24/11/2017	Sale	-331783	Transfer	1158843	1.04
				08/12/2017	Purchase	20000	Transfer	1178843	1.06
				15/12/2017	Sale	-120313	Transfer	1058530	0.95
				22/12/2017	Purchase	54909	Transfer	1113439	1.00
				22/12/2017	Sale	-3769	Transfer	1109670	1.00
				29/12/2017	Sale	-62030	Transfer	1047640	0.94
				05/01/2018	Purchase	2700	Transfer	1050340	0.94
				05/01/2018	Sale	-13852	Transfer	1036488	0.93
				12/01/2018	Sale	-125823	Transfer	910665	0.82
				19/01/2018	Sale	-57044	Transfer	853621	0.77
				26/01/2018	Purchase	2002	Transfer	855623	0.77
				02/02/2018	Purchase	21877	Transfer	877500	0.79
				09/02/2018	Purchase	3528	Transfer	881028	0.79
				09/02/2018	Sale	-5997	Transfer	875031	0.79
				16/02/2018	Purchase	4000	Transfer	879031	0.79
				23/02/2018	Purchase	6500	Transfer	885531	0.79
				23/02/2018	Sale	-500	Transfer	885031	0.79
				02/03/2018	Purchase	20330	Transfer	905361	0.81
				09/03/2018	Sale	-3	Transfer	905358	0.81
				16/03/2018	Sale	-4	Transfer	905354	0.81
				23/03/2018	Purchase	7855	Transfer	913209	0.82
				30/03/2018	Purchase	1080	Transfer	914289	0.82
				31/03/2018	Closing Balance			914289	0.82
5	LIFE INSURANCE CORPORATION OF INDIA	388382	0.35	31/03/2017	Opening Balance			388382	0.35
				31/03/2018	Closing Balance			388382	0.35

S. No	Name of the Share Holder	Shareholding beginning at the of theYear		Date	Type	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company					No of Shares	% of total shares of the company
6	RAJASTHAN GLOBAL	0	0.00	31/03/2017	Opening Balance			0	0.00
	SECURITIES			02/06/2017	Purchase	69554	Transfer	69554	0.06
	PRIVATE			21/07/2017	Purchase	358523	Transfer	428077	0.38
	LIMITED			28/07/2017	Purchase	3874	Transfer	431951	0.39
				04/08/2017	Purchase	2002	Transfer	433953	0.39
				15/09/2017	Purchase	36299	Transfer	470252	0.42
				22/09/2017	Purchase	28596	Transfer	498848	0.45
				29/09/2017	Sale	-119213	Transfer	379635	0.34
				20/10/2017	Sale	-159817	Transfer	219818	0.20
				27/10/2017	Sale	-208966	Transfer	10852	0.01
				31/10/2017	Sale	-10852	Transfer	0	0.00
				24/11/2017	Purchase	283154	Transfer	283154	0.25
				01/12/2017	Purchase	62766	Transfer	345920	0.31
				08/12/2017	Purchase	10713	Transfer	356633	0.32
				15/12/2017	Purchase	13337	Transfer	369970	0.33
				22/12/2017	Purchase	14780	Transfer	384750	0.35
				09/02/2018	Purchase	18456	Transfer	403206	0.36
				02/03/2018	Sale	-39877	Transfer	363329	0.33
				30/03/2018	Purchase	4531	Transfer	367860	0.33
				31/03/2018	Closing Balance			367860	0.33
7	CHANDRA PRAKASH	228000	0.20	31/03/2017	Opening Balance			228000	0.20
	KHANDELWAL			31/03/2018	Closing Balance			228000	0.20
8	R. B. K. SHARE BROKING LTD.	215500	0.19	31/03/2017	Opening Balance			215500	0.19
				02/06/2017	Sale	-748	Transfer	214752	0.19
				09/06/2017	Purchase	748	Transfer	215500	0.19
				04/08/2017	Purchase	23000	Transfer	238500	0.21
				15/09/2017	Sale	-473	Transfer	238027	0.21
				29/09/2017	Purchase	12000	Transfer	250027	0.22
				06/10/2017	Sale	-1891	Transfer	248136	0.22
				13/10/2017	Purchase	2400	Transfer	250536	0.22
				20/10/2017	Purchase	24000	Transfer	274536	0.25
				31/10/2017	Sale	-1000	Transfer	273536	0.25
				29/12/2017	Sale	-2000	Transfer	271536	0.24
				23/02/2018	Sale	-1536	Transfer	270000	0.24
				16/03/2018	Sale	-54500	Transfer	215500	0.19
				31/03/2018	Closing Balance			215500	0.19

S. No	Name of the Share Holder	Shareholding beginning at the of theYear		Date	Type	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company					No of Shares	% of total shares of the company
9	IL AND FS SECURITIES SERVICES LIMITED	5	0.00	31/03/2017	Opening Balance			5	0.00
				09/06/2017	Purchase	37000	Transfer	37005	0.03
				23/06/2017	Purchase	2432	Transfer	39437	0.04
				30/06/2017	Purchase	1000	Transfer	40437	0.04
				07/07/2017	Sale	-1010	Transfer	39427	0.04
				14/07/2017	Purchase	1500	Transfer	40927	0.04
				21/07/2017	Sale	-1500	Transfer	39427	0.04
				28/07/2017	Purchase	6140	Transfer	45567	0.04
				04/08/2017	Sale	-2500	Transfer	43067	0.04
				18/08/2017	Purchase	600	Transfer	43667	0.04
				08/09/2017	Sale	-1600	Transfer	42067	0.04
				15/09/2017	Purchase	90	Transfer	42157	0.04
				29/09/2017	Purchase	6700	Transfer	48857	0.04
				06/10/2017	Sale	-200	Transfer	48657	0.04
				13/10/2017	Sale	-5000	Transfer	43657	0.04
				20/10/2017	Purchase	4002	Transfer	47659	0.04
				27/10/2017	Purchase	8000	Transfer	55659	0.05
				31/10/2017	Sale	-4750	Transfer	50909	0.05
				03/11/2017	Purchase	600	Transfer	51509	0.05
				10/11/2017	Sale	-1100	Transfer	50409	0.05
				17/11/2017	Purchase	2971	Transfer	53380	0.05
				24/11/2017	Purchase	8467	Transfer	61847	0.06
				01/12/2017	Purchase	4100	Transfer	65947	0.06
				08/12/2017	Sale	-2500	Transfer	63447	0.06
				15/12/2017	Purchase	13592	Transfer	77039	0.07
				15/12/2017	Sale	-12751	Transfer	64288	0.06
				22/12/2017	Sale	-1318	Transfer	62970	0.06
				29/12/2017	Purchase	500	Transfer	63470	0.06
				30/12/2017	Sale	-2000	Transfer	61470	0.06
				05/01/2018	Sale	-10753	Transfer	50717	0.05
				12/01/2018	Sale	-5267	Transfer	45450	0.04
				19/01/2018	Purchase	1400	Transfer	46850	0.04
				02/02/2018	Purchase	99048	Transfer	145898	0.13
				09/02/2018	Purchase	14700	Transfer	160598	0.14
				16/02/2018	Purchase	24279	Transfer	184877	0.17
				23/02/2018	Sale	-3718	Transfer	181159	0.16
				09/03/2018	Purchase	11636	Transfer	192795	0.17
				16/03/2018	Sale	-476	Transfer	192319	0.17
				23/03/2018	Sale	-2326	Transfer	189993	0.17
				30/03/2018	Purchase	100	Transfer	190093	0.17

S. No	Name of the Share Holder	Shareholding beginning at the of theYear		Date	Type	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company					No of Shares	% of total shares of the company
				30/03/2018	Sale	-3930	Transfer	186163	0.17
				31/03/2018	Closing Balance			186163	0.17
10	SANGEETA RAJIV	154046	0.14	31/03/2017	Opening Balance			154046	0.14
	PRITMANI			14/04/2017	Purchase	1700	Transfer	155746	0.14
				30/06/2017	Purchase	100	Transfer	155846	0.14
				18/08/2017	Purchase	100	Transfer	155946	0.14
				24/11/2017	Purchase	100	Transfer	156046	0.14
				08/12/2017	Purchase	50	Transfer	156096	0.14
				02/02/2018	Purchase	300	Transfer	156396	0.14
				16/03/2018	Purchase	200	Transfer	156596	0.14
				30/03/2018	Purchase	104	Transfer	156700	0.14
				31/03/2018	Closing Balance			156700	0.14
11	RAJESH TOSHNIWAL	0	0.00	31/03/2017	Opening Balance			0	0.00
				25/08/2017	Purchase	8000	Transfer	8000	0.01
				01/09/2017	Purchase	2000	Transfer	10000	0.01
				08/09/2017	Purchase	1000	Transfer	11000	0.01
				15/09/2017	Purchase	49000	Transfer	60000	0.05
				29/09/2017	Sale	-60000	Transfer	0	0.00
				13/10/2017	Purchase	60000	Transfer	60000	0.05
				20/10/2017	Sale	-21700	Transfer	38300	0.03
				27/10/2017	Sale	-3300	Transfer	35000	0.03
				31/10/2017	Sale	-10000	Transfer	25000	0.02
				24/11/2017	Purchase	50000	Transfer	75000	0.07
				01/12/2017	Purchase	5000	Transfer	80000	0.07
				12/01/2018	Sale	-5000	Transfer	75000	0.07
				19/01/2018	Purchase	25000	Transfer	100000	0.09
				26/01/2018	Purchase	10000	Transfer	110000	0.10
				02/02/2018	Purchase	15000	Transfer	125000	0.11
				23/02/2018	Purchase	2000	Transfer	127000	0.11
				09/03/2018	Purchase	5000	Transfer	132000	0.12
				16/03/2018	Sale	-102000	Transfer	30000	0.03
				23/03/2018	Purchase	105000	Transfer	135000	0.12
				31/03/2018	Closing Balance			135000	0.12
12	VIVEK CHAND BURMAN	132500	0.12	31/03/2017	Opening Balance			132500	0.12
				31/03/2018	Closing Balance			132500	0.12

e) Shareholding of Directors and Key Managerial Personnel as on the closure of the Financial Year:

S. No.	Names of Director and Key Managerial Personnel	Shareholding at the beginning & at the end of the year
1.	Ashok Kumar Ramanathan	NIL
2.	Henry D Souza	NIL
3.	Gopika Pant (till 29 May 2017)	NIL
4.	Rekha Murthy (From 29 May 2017 to 22 February 2018)	NIL
5.	Suresh Akella (From 29 May 2017 onwards)	NIL
6.	Srinivasan Raghavan Venkatavardhan (till 7 September 2017)	NIL
7.	Srikrishna Madhavan (till 13 October 2017)	NIL
8.	Ramaswamy Sankaranarayanan Kavalapara (From 14 October 2017 to 30 March 2018)	NIL
9.	Gidugu Kalpana Tatavarti (From 27 March 2018 onwards)	NIL
10.	Shrenik Kumar Champalal (From 31 March 2018 onwards)	1
11.	Mayank Jain (From 26 February 2016 onwards)	1

5. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	80,35,531	-	-	80,35,531
ii) Interest due but not paid				
iii) Interest accrued but not due	10,90,095	-	-	10,90,095
Total (i+ii+iii)	91,25,626	-	-	91,25,626
Change in Indebtedness during the financial year				
Principal				
• Addition	-	-	-	-
• Reduction	71,80,423	-	-	71,80,423
Interest				
• Reduction	10,38,105	-	-	10,38,105
Net Change				
• Principal	71,80,423	-	-	71,80,423
• Interest	10,38,105	-	-	10,38,105
Indebtedness at the end of the financial year				
i) Principal Amount	8,55,107	-	-	8,55,107
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	61,767	-	-	61,767
Total (i+ii+iii)	9,16,874	-	-	9,16,874

6. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager **(INR in Lakhs)**

S. No.	Particulars of Remuneration	MD	WTD	Manager	Total Amount
1.	Gross salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 b) Value of perquisites u/s17(2) Income-tax Act,1961 c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	37 - -	0.13 - -	- - -	37.13 - -
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission • as % of profit • others, specify…	- -	- -	- -	- -
5.	Others, please specify	-	-	-	-
6.	Total (A)	37	0.13	-	37.13
	Ceiling as per the Act	It is in accordance with the ceiling as specified under section 197 of the Companies Act, 2013.			

B. Remuneration to other directors:

(INR in Lakhs)

S. No.	Particulars of Remuneration	Name of Directors			
1	Independent Directors	Ashok Kumar	Henry D Souza	Rekha Murthy	Total Amount
	• Fee for attending board committee meetings • Commission • Others, please specify	7.80	10.80	8.40	27.00
	Total (1)	7.80	10.80	8.40	27.00
	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	N.A	N.A	N.A	N.A
	Total (2)	N.A	N.A	N.A	N.A
	Total (B)= (1+2)	7.80	10.80	8.40	27.00
	Total Managerial Remuneration	N.A	N.A	N.A	N.A
	Overall Ceiling as per the Act	It is in accordance with the ceiling as specified under Companies Act, 2013			

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37.13	11	26	74.13
	b) Value of perquisites u/s17(2) Income-taxAct, 1961	-	-	-	-
	c) Profits in lieu of salary under section17(3) Income-taxAct, 1961	-	-	-	-
2.	Stock Option	-			
3.	Sweat Equity	-	-	-	-
4.	Commission • as % of profit • others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	37.13	11	26	74.13

7. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made, if any (give Details)
A. Company					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
B. Directors					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
C. Other Officers In Default					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

OVERVIEW

Xchanging Solutions Limited was incorporated on 01 February 2002 with operations in India, and an international presence established through subsidiaries in several countries.

DXC Technology Company was formed from the Merger Agreement dated 24 May 2016 (which was further amended on 2 November 2016 and 6 December 2016) entered into inter alia between Hewlett Packard Enterprise Company, Computer Sciences Corporation and DXC Technology Company. The transactions contemplated under the Merger Agreement was completed on 1 April 2017.

DXC Technology Company is listed on New York Stock Exchange, and through its indirect subsidiaries Xchanging (Mauritius) Limited, Xchanging Technology Services India Private Limited & DXC Technology India Private Limited, owns 90.8% of the outstanding share capital of the Company. DXC Technology Company and its subsidiaries including Xchanging Solutions Limited, are hereafter referred to as “a DXC Technology Company”.

* INDUSTRY STRUCTURE, OVERVIEW AND TRENDS; OPPORTUNITIES, THREATS AND OUTLOOK

According to NASSCOM, India’s IT-BPM industry today stands at USD 167 billion market and employs around 4 million people. It continues to be the leader in the global sourcing market with a 55% share. Despite the slowing down in growth rates, the industry has added ~USD 24 billion revenue since FY2016 and continues to be a net hirer (100,000+ additions in FY2018).

Digital technology is throwing up a new set of opportunities for the technology industry and over the past few years, the business has seen a shift: in revenue share (currently, digital share is between 18%-20% and increasing), talent (India accounts for 75% share in global digital talent), business models (partnerships, As-a-Services, etc.), revenue source (IP-led, platforms, cloud) and organisational structure (dedicated BUs, CoEs, etc.)

Change is the only constant in life and India’s technology industry is at the core of this change. Digital technologies are increasingly becoming all pervasive and are not only blurring the boundaries between business units (technology, finance, marketing, etc.) but also between companies; it is now no longer tech and non-tech companies. Many companies especially in the banking, automotive and manufacturing space are re-branding themselves as tech companies.

These advancements call for an organisation wide transformation involving people, processes and technology.

* GLOBAL IT-BPM INDUSTRY (INFORMATION TECHNOLOGY- BUSINESS PROCESS MANAGEMENT)

In 2017, global IT-BPM industry stood at USD 1.3 trillion (excl. hardware) showing a growth of 4.3% over 2016:

- IT services grew a modest 2.4% driven by the continuous need for digital solutions.
- BPM (3.4%) saw greater implementations of Robotic Process Automation.
- Packaged software: Was the fastest growth segment (7.7%) - SaaS driving growth esp. FMS, HCM, analytics
- Hardware segment grew 1.5% to cross USD 1 trillion
- Global ER&D spend saw a decent 3.2% growth (as compared to previous two years which saw more or less flat growth); the push for autonomous vehicles & equipment, connectivity and smart products were key growth drivers.

Global sourcing growth outperformed global IT-BPM spend growth in 2017, global sourcing grew 1.4X to reach USD 185-190 billion. India continued as the world’s No.1 sourcing destination with a share of 55 per cent. 271 new global delivery centres were set up worldwide (by US headquartered firms) in 2017 - India accounted for 24% share and Europe (29%).

* INDIAN IT-BPM

India’s IT-BPM industry is set to grow ~8% in FY2018 – from USD 154 billion in FY2017 to USD 167 billion (excl. eCommerce), an addition of USD 12 billion.

Share in total service exports is estimated at >45% and the industry’s contribution relative to India’s GDP is ~7.9%. Overall, the industry is estimated to employ 3.97 million people, an addition of 105,000 people over FY2017.

The industry comprises 17,000+ firms that offer a complete range of services. In the age of digital technologies, the industry has been adept at building the necessary skills and capabilities to address new and changing customer demands. Over the past few years, firms have made substantial investments in building their portfolio of capabilities around these technologies and have set up a number of labs and CoEs to deliver digital services to customers. Consequently, the industry is now well equipped to manage the stage of Bi-modal IT. While currently the traditional services (ISO, CADM, software testing, F&A, HRO, etc.) continue to have a major share of revenue (~80%), the share of digital revenue is increasing rapidly. From about 14% in FY2016, it is now 18+% and is expected to reach 38% by 2025.

* Source: Nasscom Strategic Review 2018

RISKS AND CONCERNS

The Company maintains risk registers covering each aspect of the business and the operations. We review our whole risk hierarchy at least annually, which helps in ensuring that we have a consistent approach and focus on the potential risks.

We analyse the nature and extent of risks and consider their likelihood of occurrence and impact; both on an inherent and residual basis, after taking into account mitigating and compensating controls. This allows us to determine how we should manage each risk in order to achieve our strategic objectives. (similar below)

HOW WE MANAGE RISK

In managing risk we analyse the nature and extent of risks and consider their likelihood and impact, both on an inherent and a residual basis, after taking account of mitigating controls. This allows us to determine how we should manage each risk in order to achieve our strategic objectives.

Risk registers are maintained in a hierarchy across the business and include risks which are strategic, commercial, operational and financial in nature.

- Strategic risks reflect the potential for a significant strategic action or a failure to react to developing trends in the market, to have a financial impact on the economic value of our business.
- Commercial risks reflect the potential to enter into a critical contract or commercial arrangement which may have an adverse impact on the business.
- Operational risks reflect the potential for the failure of a critical process or procedure to have an adverse impact on the business.

OVERVIEW OF RISK MANAGEMENT PROCESS

STRATEGIC RISKS	
Risk	**Mitigating Actions**
Failure to utilise and exploit technology enablement for growth	The rapidly changing nature and impact of technology means that we need to respond to technology trends. Injecting technology enablement into our services and products is core to our growth strategy as we continue to: • Invest in the development of new offerings. • Develop innovative value adding customer solutions. • Utilise our skilled knowledgeable resources. • Review our existing services and products to ensure that they meet our customers' requirements.
Failure to secure new business from both new and existing customers	There are number of signifcant changes in the sectors we operate in and the current economic environment results in pressure on our customers. Failure to secure new business could slow down the growth of the business. Successfully winning new business is managed by: • Investing in innovative services and products for both new and existing customers. • Ensuring utilisation of our technology capabilities and competitive low cost offshore services. • Clearly defined offerings and sales strategies that help us to attract customers. • Continual development of the unified sales strategy which enables selling across business sectors. • Effective performance of sales team.
COMMERCIAL RISKS	
Risk	**Mitigating Actions**
We have a concentration of material contracts with customers in key markets, which may have a significant impact on the Group's performance.	Our commercial risks continue to be well managed through legal review, delegated authorities and contract monitoring processes. We have a structured service management programme, with dedicated account managers who work closely with our customers utilising performance metrics in order to identify issues early and trigger corrective actions.
OPERATIONAL RISKS	
Risk	**Mitigating Actions**
Our reputation and ultimately our profitability are reliant on successful implementation and delivery of new contracts.	We ensure successful implementation in the following ways: • Detailed implementation and delivery plans with strong management control and oversight. • Use of experienced employees with strong project, change and people management skills in order to ensure successful implementation.

	• Standardised procedures in use for the implementation and delivery of new contracts.
Our customers demand efficient processing and high levels of service to help them achieve their objectives and protect their reputation.	Failure to meet our customers' expectations and contractual commitments would have a significant impact upon our reputation and profitability and could result in unexpected and costly litigation. We consistently work towards ensuring that our service levels are on target ensuring that we meet our customer requirements. Mitigating actions include: • Consistently ensuring that our service levels are on target. • Optimising our cost of delivery through standardisation and simplification. • Investing internally in Group change programmes to improve our shared service centre and support services. • Ongoing contract management. • Building on existing customer relations.
Continuing to retain our key personnel and recruit new talented individuals is fundamental to our success. Our intellectual property is one of our key assets.	Succession plans are in place for senior managers across the business. • We have an established structure for employee performance and development monitoring. • A clear recruitment strategy and graduate recruitment and development programme attracts high-potential employees. • Significant investment in leadership training programmes underpins our succession plans, and develops our employees.
FINANCIAL RISKS	
Risk	**Mitigating Actions**
The Group's financial results may be subject to volatility arising from movements in interest rates, foreign exchange rates, liquidity and changes in taxation legislation, policy or tax rates	We continue to manage our financial risks through our established budgeting, forecasting and working capital and treasury controls. This reduces the volatility of our financial results, giving the Board greater medium-term visibility and ensuring we have the required credit facilities in place

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Compliance Certification from CEO and CFO provided in Annual Report confirms the adequacy of our internal control system and procedures.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

A. OVERVIEW

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

B. RESULTS OF OPERATIONS

1. Review of Operations

During the financial year ended 31 March 2018, the consolidated revenue of your Company was Rs. 18,590 Lakhs against Rs. 30,727 Lakhs during the previous year ended 31 March 2017 (15 months period). Other income of the Company for the current year was Rs. 1,577 Lakhs against Rs. 1,390 Lakhs in the previous year.

The company has only one primary segment viz, Information Technology (IT) services and accordingly the financials relate to this segment.

2. Performance

The table below summarizes the consolidated financial performance during the year:

(INR in lakhs)

Particulars	For the Financial year ended 31 March 2018 (12 months period)	For the Financial year ended 31 March 2017 (15 months period)
Total Income	20,167	32,117
Total Expenditure	15,985	29,813
Profit before Interest, Depreciation and Tax	4,182	2,304
Depreciation & Amortization	117	305
Finance Costs	4	15
Profit / (Loss) before Tax	4,061	1,984
Income Tax (including deferred tax)	897	156
Net Profit / (Loss) after Tax	3,164	1,828
other Comprehensive Income/(Expenditure)	203	(127)
Total Comprehensive Income/(Expenditure)	3,367	1,701
Earnings / (Loss) per share Rs.	2.84	1.64

3. Geographic Profile

(INR in lakhs)

Geography	31 March 2018 (12 months period)		31 March 2017 (15 months period)	
	Revenue	%	Revenue	%
Europe	2,182	12%	5,133	17%
USA	9,911	53%	16,534	54%
India	1,286	7%	1,177	4%
Rest of the World	5,211	28%	7,883	26%
Total	**18,590**	**100.00%**	**30,727**	**100.00%**

4. Capital Markets

The Capital Market Information relating to the company's shares such as stock exchanges in which they are listed/traded, trading volume, stock price movements etc., has been provided in the Report on Corporate Governance (under the heading "General Shareholder Information") which forms part of the Annual Report 2017-18.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND EMPLOYEE RELATIONS

Developing Talent

Managing human resources effectively and efficiently plays a critical role in ensuring that a satisfied, motivated work force delivers quality services. It also plays an important role in increasing staff performance and productivity, enhancing an organization's competitive advantage, and contributing directly to the organizational goals. Satisfied, highly-motivated and loyal employees represent the basis of competitive company. The growth of satisfaction is to be reflected in the increase of productivity, improvement of the products' quality or rendered services and higher number of innovations.

The Company is highly employee oriented, and the focus is on the development of employees.

Employee Diversity

The Company believes in promoting and nurturing work environment which is conducive to the development and growth of an individual employee, by employing the best HR practices such as performance management, reward and recognition policy, leadership development program, open work culture and effective employee communication.

We are committed to embedding a culture of diversity and inclusion across our Group. This includes ensuring opportunity for all and embraces the positive effect that our diverse workforce brings.

We do not tolerate any form of discrimination, and our employment policies and practices focus on ensuring that all our employment processes are free from unlawful discrimination on any grounds.

Xchanging Solutions Limited has a total of 217 employees on its rolls as of 31 March 2018.

1. COMPANY'S PHILOSOPHY

The Company is committed to the highest standards of corporate governance in all its activities and related processes. The Company believes that good corporate governance practices enable the management to direct and control the affairs of the Company in an efficient and effective manner and to achieve its goal of maximizing value for its shareholders. The Company believes that good corporate governance lies not merely in drafting a code of corporate governance but in practicing it.

The Company has put in place a good corporate governance policy and confirms its compliance with the applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations")**.

2. BOARD OF DIRECTORS:

A. Composition of Board of Directors:

The Board of Directors as on 31 March 2018 comprised of 4 (four) Directors of which 3 (three) are Non – Executive Directors. The Chairman is an Non-Executive Director (Independent Director). The number of Independent Directors on the Board is 2 (two), which is 50% of the total number of Directors. The composition of Board is in conformity with Regulation 17 of the Listing Regulations entered with the Stock Exchanges.

Membership in Board and Sub - Committees of the Directors of the Company as on 31 March 2018 – other than Xchanging Solutions Limited **("the Company")** is as under:

Name of the Director	Category	DIN	No. of outside Directorships of public companies@	No. of outside Board level committees where chairperson or member #	
				Member	Chairman
Executive Directors					
Shrenik Kumar Champalal	Executive Director (Whole Time Director)	08099410	-	-	-
Non-Executive Director					
Gidugu Kalpana Tatavarti	Non-Executive Director (from 27 March 2018 onwards)	06644105	-	-	-
Ashok Kumar Ramanathan	Independent Director	02055559	-	-	-
Henry D Souza	Independent Director	00276157	-	-	-

@Excludes Directorships held in foreign companies, membership of management committees of various chambers/bodies/ Section 8 Companies of the Companies Act, 2013.

 # Includes only Audit Committee and Stakeholders' Relationship Committee.

Mr.Chandrasekhara Rao Boddoju has been appointed as Managing Director with effect from 9 August 2018.

None of the Independent Directors is a director in more than 7 (seven) listed companies. None of the Directors on the Board is a Member of more than 10 (ten) committees or Chairman of more than 5 (five) Committees across all the companies in which they are Director.

B. Number of Board Meetings, Attendance of the Directors at Meetings of the Board and at the Annual General Meeting:

During the financial year ended 31 March 2018, total 6 (six) Board Meetings were held on the following dates – 29 May 2017, 13 September 2017, 13 October 2017,7 December 2017, 13 February 2018 and 30 March 2018. The gap between two meetings did not exceed 120 days. These meetings had good attendance. The last AGM of the Company held on 13 September 2017.

The attendance of the Directors' at these Meetings is as under:

Director	Category	Number of Board Meetings attended	Leave of Absence Granted	Attendance at the AGM
Ashok Kumar Ramanathan	Independent Director	5	Yes	Yes
Srinivasa Raghavan Venkatavaradhan (till 7 September 2017)	Non-Executive Director	1	NA	NA
Srikrishna Madhavan (till 13 October 2017)	Executive Director & Chief Executive Officer	3	Nil	Yes
Henry D Souza	Independent Director	6	Nil	Yes
Rekha Murthy (From 29 May 2017 to 22 February 2018)	Independent Director	4	Yes	Yes
Ramaswamy Sankaranarayanan Kavalapara (From 14 October 2017 to 30 March 2018)	Executive Director & Chief Executive Officer	3	Nil	NA
Gidugu Kalpana Tatavarti (From 27 March 2018 onwards)	Non-Executive Director	NA	NA	NA
Shrenik Kumar Champalal (From 31 March 2018 onwards)	Executive Director	NA	NA	NA

C. Meetings of Independent Directors

During the financial ended 31 March 2018, one separate meetings of the Independent Directors of the Company was held on 13 September 2017 without the attendance of Non-Independent Directors and the Management team.

During their meeting held on 13 September 2017, the Independent Directors reviewed the performances of Non Independent Directors, Chairman and the Board as whole and assessed the flow of information between the company management and the Board.

D. Directors seeking Appointment/ Re-appointment

Ms. Gidugu Kalpana Tatavarti, has been appointed as Non-Executive Director of the Company w.e.f. 27 March 2018 by the Board of Directors through resolution by circulation, pursuant to the provisions of the Companies Act, 2013.

The appointment of Ms. Gidugu Kalpana Tatavarti is recommended for your approval in the ensuing Annual General Meeting.

Ms. Gidugu Kalpana Tatavarti is a Member of the following Board Committees:

S. No.	Name of the Committee	Position held
1.	Corporate Social Responsibility Committee	Member
2.	Nomination & Remuneration Committee	Member
3.	Stakeholder & Relationship Committee	Member

Mr. Shrenik Kumar Champalal has been appointed as Whole Time Director with effect from 31 March 2018.

The appointment of Mr. Shrenik Kumar Champalal as Whole Time Director, based on the recommendation of the Nomination and Remuneration Committee is recommended for your approval in the ensuing Annual General Meeting.

Mr. Shrenik Kumar Champalal is member of the following Board Committees:

S. No.	Name of the Committee	Position held
1.	Corporate Social Responsibility Committee	Member
2.	Stakeholder & Relationship Committee	Member
3.	Audit Committee	Member

Mr. Chandrasekhara Rao Boddoju has been appointed as Managing Director with effect from 9 August 2018.

The appointment of Mr. Chandrasekhara Rao Boddoju as Managing Director, based on the recommendation of the Nomination and Remuneration Committee is recommended for your approval in the ensuing Annual General Meeting.

As required under Regulation 36 of Listing Regulations, brief resume, details of experience and other Directorships/Committee memberships/ Chairmanships held by the Directors in other companies, whose appointment/ re-appointment is due in the forthcoming Annual General Meeting of the Company, forms part of the Notice convening AGM.

E. Code of Conduct

The Board has formulated and adopted a Code of Conduct for all Board Members and Senior Management Personnel of the Company. These Codes have been posted on the Company's website at http://www.xchanging.com/investor-relations/xsl-content.

Affirmation Report on Compliance of Code of Conduct has been received from the Board Members and Senior Management Personnel of the Company. A declaration to that effect is given in the Compliance Certificate Annexed to the report.

The Code of Conduct for the Board Members of the Company has been amended in line with the provisions of the Companies Act, 2013 ("Act"), which includes Code for Independent Directors, which is a guide to professional conduct for Independent Directors of the Company pursuant to section 149(8) and Schedule IV of the Act.

F. Compliance Certification

As required under Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, Mr. Shrenik Kumar Champalal, Whole Time Director and Chief Executive Officer (Interim) and Mr. Suresh Akella, Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the financial year ended 31 March 2018. The Certificate is annexed to this Report as Annexure- A

G. Board Evaluation

As required under the provisions of Section 134(3)(p) of the Act and Regulation 4 of the Listing Regulations, the Board and Committees of the Board have carried out annual evaluation of own performance. The performance evaluation framework is in place and the evaluation questionnaires were circulated to all the members of the Board and Committees for their response to evaluate performance of Board and Committees of the Board.

The criteria of evaluation is exercising of responsibilities in the interest of the Company, striving to attend meetings of the Board of Directors and Committees of which he is a member, participating constructively and actively in the meetings of the Board or committees of the Board etc.

H. Familiarization Programme for Independent Directors

As per Regulation 46(2)(i) of Listing Regulations, the details of programs for familiarization of the Independent Directors with the Company, their roles, rights, responsibility in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are available on the website of the Company at http://www.xchanging.com/investor-relations/xsl-content.

3. **POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES:**

A. **Remuneration Policy**

Pursuant to the provisions of Section 178 of the Act, the Company has adopted a Policy for Remuneration of Directors, Key Managerial Personnel and Senior Management, which has been approved by the Board of the Company at its Meeting held on 7 November 2014 based on the recommendations made by the Nomination and Remuneration Committee.The Nomination and Remuneration Policy is available at http://www.xchanging.com/investor-relations/xsl-content.

Appointment

Nomination and Remuneration Committee **("NRC")** determines the criteria of appointment to the Board and is vested with the authority to identify candidates for appointment to the Board of Directors. In evaluating the suitability of a person for appointment / continuing to hold appointment as a Director, the NRC takes into account among others, Board diversity, person's eligibility, qualification, expertise, track record, general understanding of the business, professional ethics, integrity and other fit and proper criteria's. Based on recommendation of the NRC, the Board evaluates the candidate(s) and decide on the selection of the appropriate member.

Remuneration

The remuneration of Executive/Non-Executive Directors and KMPs is governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards and decided by NRC in accordance to the above mentioned policies. It is proposed by NRC and subsequently approved by the Board.

B. **Remuneration to Non-Executive Directors for the financial year ended 31 March 2018**

The remuneration and sitting fee paid to the Non-executive directors during the financial year ended 31 March 2018 along with their respective shareholding in the Company are as under:

Directors	Sitting Fees paid for the Board and Committee Meetings held during the financial period ended 31 March 2018	Commission for the financial period ended 31 March 2018, provided as payable in the accounts of the Company for the year under review	No. of Equity Shares held as on 31 March 2018
Srinivasa Raghavan Venkatavaradhan (till 7 September 2017)	-	-	-
Gidugu Kalpana Tatavarti (from 27 March 2018 onwards)	-	-	-

C. **Remuneration paid/payable to Executive Director (Whole-time Director/Managing Director) for the financial year ended 31 March 2018**

Following Remuneration was paid to whole-time director/Managing Director during the financial year ended 31 March 2018. The said remuneration was fixed by the Nomination and Remuneration Committee and subsequently approved by the Board of Directors and Shareholders of the Company.

Name of Executive Director	(*INR in Lakhs*) Salary	Commission	Company's contribution to Funds	Perquisites & Allowance	Total	Contract Period	Shares held as on 31 March 2018
Srikrishna Madhavan	-	-	-	-	-	(from11 November 2016 to 13 October 2017)	-
Ramaswamy Sankaranara-yanan Kavalapara	36.67	-	-	-	36.67	(From 14 October 2017 to 30 March 2018)	-
Shrenik Kumar Champalal	0.13	-	-	-	0.13	For 3 years with effect from 31 March 2018	01

Brief terms of employment and details of remuneration of the Executive Directors are as under:

1.	Name of the Director	Srikrishna Madhavan (till13 October 2017)	Ramaswamy Sankarana-rayanan Kavalapara (from 14 October 2017 to 30 March 2018)	Shrenik Kumar Champalal (From 31 March 2018)
(a)	Salary, benefits, bonuses, stock options, pension etc.	Salary not exceeding INR 40 lakhs per annum. Reimbursement of travel and out of pocket expenses incurred for business purpose of the Company.	Salary not exceeding INR 37 lakhs for the period from 14 October 2017 to 30 March 2018 Reimbursement of travel and out of pocket expenses incurred for business purpose of the Company.	Salary not exceeding INR 60 Lacs per annum. Reimbursement of travel and out of pocket expenses incurred for business purpose of the Company.
(b)	Details of fixed component and performance linked incentives, along with the performance criteria;	Fixed Salary not exceeding INR 40 lakhs per annum. Not entitled for any performance linked incentives.	Fixed Salary not exceeding INR 37 lakhs for the period from 14 October 2017 to 30 March 2018. Not entitled for any performance linked incentives.	Fixed Salary not exceeding INR 60 lakhs per annum. Not entitled for any performance linked incentives.
(c)	Service contracts, notice period, severance fees;	Srikrishna Madhavan resigned as Managing Director and CEO w.e.f. 13 October 2017	Ramaswamy Sankaranarayanan Kavalapara has been appointed as Managing Director (Interim) & CEO (Interim) on 14 October 2017 till the ensuing AGM but he resigned as Managing Director (interim) and CEO (Interim) w.e.f. 30 March 2018	The appointment of Mr. Shrenik Kumar Champalal as Whole Time Director is for period of 3 years with effect from 31 March 2018.
(d)	Stock option details, their pricing at the time of issue, period over which accrued and period over which exercisable.	NA	NA	NA

4. RISK MANAGEMENT

The Company has a Risk Management process which provides an integrated approach for managing the risks in various aspects of the business. A write-up on the above is provided in the management discussion and analysis.

5. COMMITTEES OF THE BOARD

A. Audit Committee

1. The Audit Committee of the Company is constituted in line with the provisions of Regulations 18 of Listing Regulations read with Section 177 of the Act.
2. The role, duties and powers of the Audit Committee are as follows:

The role of the audit committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Boards' Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgement by Management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. Disclosure of any related party transactions.
   g. Qualifications in the draft audit report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
    a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations
    b. annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of Listing Regulations.

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Composition of the Audit Committee

The composition of the Audit Committee is as follows:

1. Ashok Kumar Ramanathan
2. Henry D Souza
3. Shrenik Kumar Champalal (From 31 March 2018 onwards)
4. Gidugu Kalpana Tatavarti (From 27 March 2018 to 17 July 2018)
5. Srinivasa Raghavan Venkatavaradhan (till 07 September 2017)
6. Gopika Pant (till 29 May 2017)
7. Rekha Murthy (From 29 May 2017 to 22 February 2018)

Mr. Ashok Kumar Ramanathan is the Chairman of the Committee.

During the financial year ended 31 March 2018, 4 (Four) meetings of the Audit Committee were held, the dates being 29 May 2017, 13 September 2017, 7 December 2017, and 13 February 2018.

The attendance for the Audit Committee meetings is as follows:

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Ashok Kumar Ramanathan	Chairman	3	1
Srinivasa Raghavan Venkatavaradhan (till 7 September 2017)	Member	1	NA
Henry D Souza	Member	4	Nil
Gopika Pant(till 29 May 2017)	Member	NA	NA
Rekha Murthy (From 29 May 2017 to 22 February 2018)	Member	3	1
Gidugu Kalpana Tatavarti (From 27 March 2018 to 17 July 2018)	Member	NA	NA
Shrenik Kumar Champalal (From 31 March 2018 onwards)	Member	NA	NA

The previous Annual General Meeting of the Company was held on 13 September 2017 and the Chairman of the Audit Committee was present at the Annual General Meeting of the Company.

B. Nomination and Remuneration Committee

1. The Nomination and Remuneration Committee of the Company is constituted in line with Regulation 19(4) read with Part D of Schedule II of the Listing Regulations read with Section 178 of the Act.
2. The role, duties and powers of the Nomination and Remuneration Committee are as follows:
   a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
   b. Formulation of process for grant, allot, issue, administer, cancel and forfeit employees' stock options under any ESOP schemes of the Company and to exercise such powers as conferred by the Board on the earlier Remuneration Committee;
   c. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
   d. Devising a policy on diversity of Board of Directors;
   e. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
   f. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The composition of the Committee is as follows: -

1. Ashok Kumar Ramanathan
2. Henry D Souza
3. Gidugu Kalpana Tatavarti (From 27 March 2018 onwards)
4. Srinivasa Raghavan Venkatavaradhan (till 07 September 2017)
5. Gopika Pant (till 29 May 2017)
6. Rekha Murthy (From 29 May 2017 to 22 February 2018)

Mr. Ashok Kumar Ramanathan is the Chairman of the Committee.

During the financial year ended 31 March 2018, 2 (Two) meetings of the Nomination and Remuneration Committee were held, the dates being 29 May 2017 and 13 October 2017.

The attendance for the Nomination and Remuneration Committee meetings is as follows:

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Ashok Kumar Ramanathan	Chairman	1	1
Srinivasa Raghavan Venkatavaradhan (till 07 September 2017)	Member	1	Nil
Henry D Souza	Member	2	Nil
Gopika Pant (till 29 May 2017)	Member	NA	NA
Rekha Murthy (From 29 May 2017 to 22 February 2018)	Member	2	Nil
Gidugu Kalpana Tatavarti (From 27 March 2018 onwards)	Member	NA	NA

C. Stakeholders' Relationship Committee

1. The Stakeholders' Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of the Listing Regulations read with Section 178 of the Act.
2. The Stakeholders' Relationship Committee shall specifically look into the matters relating to transfer/ transmission of shares and the redressal of grievances of shareholders, debenture holders and other security holders and shall consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of Annual Report and non-receipt of declared dividends.

The composition of the Committee is as follows:

1. Ashok Kumar Ramanathan
2. Henry D Souza
3. Gidugu Kalpana Tatavarti (From 27 March 2018 onwards)
4. Shrenik Kumar Champalal (From 31 March 2018 onwards)
5. Srikrishna Madhavan (till 13 October 2017)
6. Gopika Pant (till 29 May 2017)
7. Rekha Murthy (From 29 May 2017 to 22 February 2018)
8. Ramaswamy Sankaranarayanan Kavalapara (From 14 October 2017 to 30 March 2018)

Mr. Ashok Kumar Ramanathan is the Chairman of the Committee.

During the financial year ended 31 March 2018, there were 4 (four) meetings of Shareholders' Relationship Committee - the dates being 29 May 2017, 13 September 2017, 7 December 2018, and 13 February 2018.

The attendance for the Shareholders' Relationship Committee meetings is as follows:

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Ashok Kumar Ramanathan	Chairman	3	1
Srikrishna Madhavan (till13 October 2017)	Member	2	Nil
Henry D Souza	Member	4	Nil
Gopika Pant(till 29 May 2017)	Member	NA	NA
Rekha Murthy (From 29 May 2017 to 22 February 2018)	Member	3	1

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Ramaswamy Sankaranarayanan Kavalapara (From 14 October 2017 to 30 March 2018)	Member	2	Nil
Gidugu Kalpana Tatavarti (From 27 March 2018 onwards)	Member	NA	NA
Shrenik Kumar Champalal (From 31 March 2018 onwards)	Member	NA	NA

During the financial year ended 31 March 2018, 21 (twenty one) complaints of the shareholders were received and resolved in a timely manner.

D. Corporate Social Responsibility Committee

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established a Corporate Social Responsibility (CSR) Committee.

The CSR Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, recommending to Board the amount of expenditure to be incurred on CSR activities and monitoring the Corporate Social Responsibility Policy of the Company from time to time.

The composition of the Committee is as follows:

1. Ashok Kumar Ramanathan
2. Henry D Souza
3. Gidugu Kalpana Tatavarti (From 27 March 2018 onwards)
4. Shrenik Kumar Champalal (From 31 March 2018 onwards)
5. Srikrishna Madhavan (till 13 October 2017)
6. Gopika Pant (till 29 May 2017)
7. Rekha Murthy (From 29 May 2017 to 22 February 2018)
8. Ramaswamy Sankaranarayanan Kavalapara (From 14 October 2017 to 30 March 2018)

Mr. Ashok Kumar Ramanathan is the Chairman of the Committee.

During the financial year ended 31 March 2018,1 (one) meeting of the CSR Committee was held; the date being 29 May 2018.

The attendance for the CSR Committee meetings is as follows:

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Ashok Kumar Ramanathan	Chairman	Nil	1
Srikrishna Madhavan (till 13 October 2017)	Member	1	Nil
Henry D Souza	Member	1	Nil
Gopika Pant (till 29 May 2017)	Member	NA	NA
Rekha Murthy (From 29 May 2017 to 22 February 2018)	Member	1	Nil
Ramaswamy Sankaranarayanan Kavalapara (From 13 October 2017 to 30 March 2018)	Member	NA	NA
Gidugu Kalpana Tatavarti (From 27 March 2018 onwards)	Member	NA	NA
Shrenik Kumar Champalal (From 31 March 2018 onwards)	Member	NA	NA

6. GENERAL BODY MEETINGS

A. Details of Annual General Meetings and Special Resolutions passed

The details of date, time, location and special resolutions at Annual General Meeting (AGM) held in last 3 (three) years are as under:

Date	Time	Venue	Special Resolutions Passed	Directors' Attendance at AGM
13 September 2017	10 AM	SJR I-Park, Plot 13, 14, 15, EPIP Industrial Area, Phase I Whitefield, Bangalore – 560 066	Approval of appointment of Mr. Srikrishna Madhavan as Managing Director of the company for a period of 3 (three) years.	1. Ashok Kumar Ramanathan 2. Henry D Souza 3. Srikrishna Madhavan 4. Rekha Murthy
27 June 2016	10 AM	SJR I-Park, Plot 13, 14, 15, EPIP Industrial Area, Phase I Whitefield, Bangalore – 560 066	No special resolution has been passed.	1. Ashok Kumar Ramanathan 2. Alok Kumar Sinha
25 May 2015	10 AM	SJR I-Park, Plot 13, 14, 15, EPIP Industrial Area, Phase I Whitefield, Bangalore – 560 066	Approval of appointment of Mr. Alok Kumar Sinha as whole time director of the company for a period of 3 (three) years.	1. David Bauernfeind 2. Ashok Kumar Ramanathan 3. Alok Kumar Sinha

B. Extraordinary General Meeting

No Extraordinary General meeting was conducted during the financial year ended 31 March 2018.

7. DISCLOSURES:

i. There are no materially significant related party transactions of the Company which pose a potential conflict with the interest of the Company. The Related Party Transaction Policy of the Company is available at http://www.xchanging.com/investor-relations/xsl-content

ii. The Material Subsidiary Policy of the Company as approved by the Board of Directors is available at http://www.xchanging.com/investor-relations/xsl-content

iii. The Familiarization Programme for Independent Directors as approved by the Nomination and Remuneration Committee of the Company is available at http://www.xchanging.com/investor-relations/xsl-content

iv. The Board of Directors of the Company at their meeting held on 06 November 2015 in concurrence with the requirement under SEBI (Prohibition of Insider Trading) Regulations, 2015 adopted the Code of Practices and Procedures for Fair Disclosure of Price-Sensitive Information; and Revised Code of Conduct for Prevention of Insider Trading. The aforesaid code is available at http://www.xchanging.com/investor-relations/xsl-content.

v. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets, during last three years: Nil

vi. In accordance with the requirement of Section 177 of the Act and the Rules made there under and Regulation 22 of the Listing Regulations, the Company has formulated a 'Vigil Mechanism/Whistle Blower Policy'. The Whistle Blower policy is closely monitored by an internal auditor. No employee personnel have been denied access to the Audit Committee.

vii. The Company has not adopted a treatment different from that prescribed in accounting standards.

viii. There are no pecuniary relationships or transactions between Non-Executive Directors and the Company.

ix. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of Regulation 34(3) of the Listing Regulations read with Schedule V of the Listing Regulations: The Company has complied with all the mandatory requirements ofthe Listing Regulations.

8. MEANS OF COMMUNICATION:

The quarterly and annual financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. These are also published in the prescribed format within 48 hours of the conclusion of the Board Meeting, in which they are considered, generally in all the editions of “The Financial Express” the National English daily, circulating in most parts of India and in “Sanjevani”, the newspapers published in the regional language of the place, where the Company’s registered office of the Company is situated. The details of financial information are also available at http://www.xchanging.com/investor-relations/xsl-content.

All the official news releases are also published on the Company’s website.

9. GENERAL SHAREHOLDER INFORMATION:

1. Annual General Meeting

Date and Time : Wednesday, 26 September 2018 and 10:00 AM

Venue : SJR I-Park, Plot No. 13, 14, 15, EPIP Industrial Area, Phase I Whitefield, Bangalore 560066, Karnataka, India.

2. Financial Calendar

The financial calendar of the Company is reproduced below:

Annual General Meeting	26 September 2018
Results for quarter ending 30 June 2018	9 August 2018
Results for quarter ending 30 September 2018	November 2018
Results for year ending 31 December 2018	February 2019
Results for year ending 31 March 2019	May 2019

3. Book closure : 20 September 2018 to 26 September 2018

4. Cut-off Date : 19 September 2018

5. Dividend payment date : Nil

6. Listing on the Stock Exchanges

Equity Shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited. Annual Listing fee for the year 2018-19, has been paid to the above Stock Exchanges.

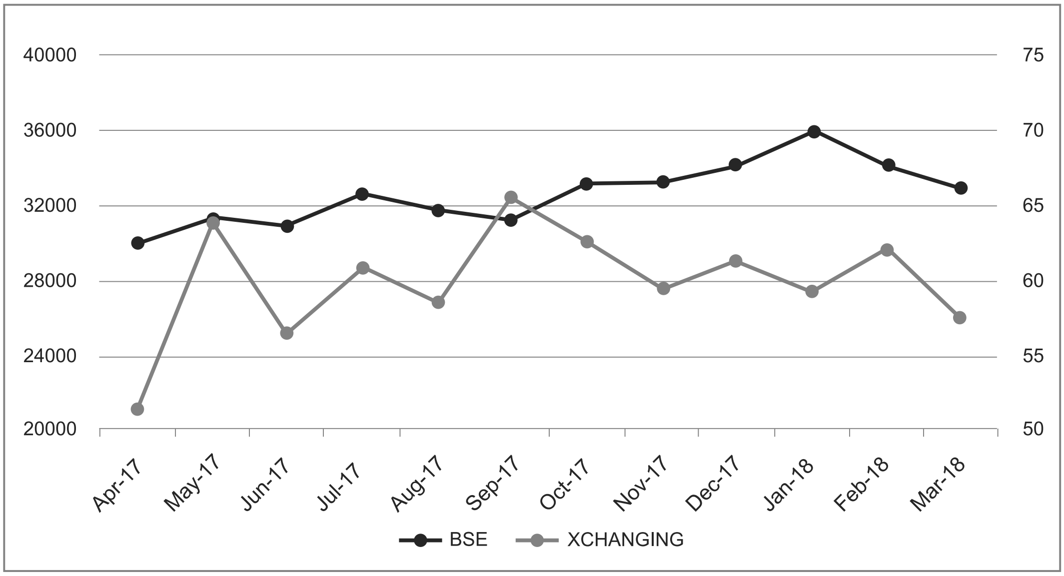
The annual custodial fee for the year 2018-19 has been paid to both NSDL and CDSL.

Scrip Code:
NSE : XCHANGING
BSE : 532616

7. Market Price Data

Month & Year		Share price of Xchanging Solutions Limited (NSE)			Share price of Xchanging Solutions Limited (BSE)		
		High (Rs.)	Low (Rs.)	Close(Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)
April	2017	54.30	47.60	51.05	54.40	48.00	51.30
May	2017	66.45	48.00	63.80	67.00	48.50	63.90
June	2017	64.45	55.00	57.00	64.40	55.00	56.50
July	2017	64.20	53.95	61.25	64.00	49.00	60.85
August	2017	61.85	54.10	58.10	62.90	54.25	58.45
September	2017	68.00	56.25	65.75	67.90	55.00	65.60
October	2017	70.95	60.25	63.15	71.00	60.55	62.50
November	2017	64.90	57.40	59.55	64.90	57.10	59.55
December	2017	63.40	58.10	61.45	63.90	58.50	61.35
January	2018	69.90	58.60	59.30	70.00	59.10	59.25
February	2018	64.90	51.65	61.90	63.40	55.50	62.00
March	2018	61.95	56.20	57.30	62.00	56.15	57.50

8. **Performance of Share Price in Comparison to BSE SENSEX**



9. **Registrars and Transfer Agent:**

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032.
Phone: 040-67162222
Fax: 040-23001153
Email: einward.ris@karvy.com
Website: www.karvy.com

10. **Share Transfer System:**

Shares sent for transfer in physical form are normally registered by our Registrars and Transfer Agent within 15 days of receipt of the documents, if the same are found in order, and as per the requirement of statutory provisions. Shares under objection are returned within two weeks. The Stakeholders Relationship Committee looks into the issues relating to Share Transfers and Investor Grievances and the Committee meets periodically.

11. **SHAREHOLDING PATTERN**

a. **Categories of Shareholding as on 31 March 2018**

Category	No. of Shares held	% of shareholding
Promoters	87,753,949	78.77
Banks, FIs, Insurance Companies, Mutual Funds	413,544	0.37
FIIs	545	0.00
Corporate Bodies	13,907,356	12.48
Indian Public	5,884,522	5.28
NRIs/OCBs/Foreign National/Clearing member	3,075,025	2.73
Others	368,775	-
Grand Total	**111,403,716**	**100.00**

b. **Distribution of Shareholding as on 31 March 2018**

No. of shares	No. of share holders	% of total shareholders	No. of shares held	% to total equity
1 - 5000	15321	98.88%	3591695	3.22%
5001 - 10000	74	0.48%	576932	0.52%
10001 - 20000	49	0.32%	688597	0.62%
20001 - 30000	16	0.10%	388943	0.35%
30001 - 40000	7	0.05%	252715	0.23%
40001 - 50000	3	0.02%	141092	0.13%
50001 - 100000	8	0.05%	550879	0.49%
100001 and above	17	0.11%	105212863	94.44%
TOTAL	**15495**	**100%**	**111403716**	**100%**

12. DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's shares are compulsorily traded in the dematerialized form. The Company has arrangements with both National Securities Depository Limited ('NSDL') and Central Depository Services Limited ('CDSL') for demat facility. As on 31 March 2018, 111,300,264 shares representing 99.91% of the Company's total shares were held in dematerialized form and the balance 103,452 shares representing 0.09%of the Company's total shares were in the physical form. The Company's shares are regularly traded on the National Stock Exchange of India Limited and BSE Limited.

ISIN : INE 692G01013

13. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

There are no outstanding GDRs/ADRs/Warrants.

14. PLANT LOCATIONS:

In view of the nature of the Company's business viz., Information Technology (IT) Services; the Company operates from various offices in India and abroad but does not have any manufacturing plant.

15. ADDRESS FOR CORRESPONDENCE:

Shareholders may correspond with the Company at the Registered Office of the Company or at the office of Registrars and Transfer Agent of the Company.

Registered Office	Registrar and Transfer Agents
Xchanging Solutions Limited SJR I-Park, Plot No. 13, 14, 15. EPIP Industrial Area, Phase I Whitefield, Bangalore 560066, India. Phone: +91 80 3054 0000 Fax: +91 80 4115 7394 Email:compliance@xchanging.com	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31 - 32 Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Phone: 040-67162222 Fax: 040-23001153 Email: einward.ris@karvy.com

16. NO. OF SHARES TRADED DURING THE FINANCIAL PERIOD ENDED 31 MARCH 2018:

BSE : 4,868,766 Shares

NSE : 14,870,853 Shares

17. COMPLIANCE CERTIFICATE BY THE PRACTICING COMPANY SECRETARY:

The Company has obtained a certificate from the Practicing Company Secretary regarding the compliance of conditions of corporate governance as stipulated under Schedule V (E) of the Listing Regulations, which is annexed herewith as **Annexure-B**

COMPLIANCE CERTIFICATE

To

The Board of Directors
Xchanging Solutions Limited
Bangalore

We, Shrenik Kumar Champalal, Whole Time Director & Chief Executive Officer (Interim) and Suresh Akella, Chief Financial Officer hereby certify to the Board that;

a. We have reviewed the financial statements and the cash flow statement for the financial year ended 31 March 2018 and that to the best of our knowledge and belief:

   (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. To the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit Committee:

   (i) There are no significant changes in the internal control over financial reporting during the financial year ended 31 March 2018

   (ii) The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. Up to the year ended 31 March 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are Company's first Ind AS financial statements. The date of transition to Ind AS is 1 January 2016;

   (iii) There have been no instances of significant fraud of which we have become aware and involvement therein of the management or an employee having a significant role in the company's internal control over financial reporting.

e. We further declare that all Board Member and senior personnel have affirmed compliance with the code for the current year.

Shrenik Kumar Champalal
Whole Time Director & Chief Executive Officer (Interim)

Suresh Akella
Chief Financial Officer

Place: Bangalore
Date: 24 May 2018

CERTIFICATE ON CORPORATE GOVERNANCE REPORT

To,

The Members
Xchanging Solutions Limited
Bangalore

I have examined the compliance of conditions of corporate governance by Xchanging Solutions Limited ("the Company") for the financial period ended on 31 March 2018, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. My examination is limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with all the conditions of corporate governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

I further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Ankush Agarwal & Associates
Company Secretaries

Ankush Agarwal
Proprietor
Membership No: F 9719
Certificate of Practice No: 14486

Date: 30 July 2018
Place: Noida

TO THE MEMBERS OF XCHANGING SOLUTIONS LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Xchanging Solutions Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us,the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
   e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Regn. No. 117366W/W-100018)

Bhavani Balasubramanian
Partner
(Membership No. 22156)

Bangalore, 24 May 2018

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Xchanging Solutions Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Regn. No 117366W/W-100018)

Bhavani Balasubramanian
Partner
(Membership No. 22156)

Bangalore, 24 May 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Xchanging Solutions Limited of even date)

i) In respect of property, plant and equipment :
   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
   (b) The Company has a program of verification of property, plant and equipment to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.No physical verification was carried during the year.
   (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the Order is not applicable.

ii) The Company does not have any inventory and hence reporting under clause (ii) ofthe Order is not applicable.

iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.

v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause (v) of the Order is not applicable.

vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause (vi) of the Order is not applicable.

vii) According to the information and explanations given to us in respect of statutory dues:
   (a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Goods and Services Tax, cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable by the Company, in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Nature of Statute	Nature of dues	Forum where dispute is pending	Period to which amount relates	Amount unpaid (Rs. In lakhs)
Income tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	Financial year 2004-05	218(*)
	Income Tax	High Court	Financial year 2008-09	42(**)
	Income Tax	Income Tax Appellate Tribunal	Financial year 2009-10	12
	Income Tax	Income Tax Appellate Tribunal	Financial year 2012-13	85

(*) Net of Rs. 975 lakhs paid under protest

(**) Net of Rs. 273 lakhs paid under protest

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debentures.

ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable.

xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or subsidiary companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Regn. No 117366W/W-100018)

Bhavani Balasubramanian
Partner
(Membership No. 22156)

Bangalore, 24 May 2018

XCHANGING SOLUTIONS LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

(All amounts in Rs. Lakhs, unless otherwise stated)

	Note	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4	34	191	459
Other intangible assets	5	4	13	20
Financial assets				
Investments	6	5,186	5,186	5,186
Loans	7	1,868	1,868	1,868
Other financial assets	8	37	435	360
Deferred tax assets (net)	9	915	962	703
Other non-current assets	10	1,516	1,733	1,984
Total non-current assets		**9,560**	**10,388**	**10,580**
Current assets				
Financial assets				
Investments	11	12,151	10,099	-
Trade receivables	12	1,203	1,903	3,538
Cash and cash equivalents	13	456	261	8,357
Bank balances other than above	14	124	12	-
Other financial assets	8	653	1,044	1,571
Other current assets	10	197	106	50
Total current assets		**14,784**	**13,425**	**13,516**
Total assets		**24,344**	**23,813**	**24,096**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	11,140	11,140	11,140
Other equity	16	7,627	7,037	7,711
Total equity		**18,767**	**18,177**	**18,851**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	3	46	91
Provisions	18	340	317	342
Other non-current liabilities	19	1	77	35
Total non-current liabilities		**344**	**440**	**468**

(All amounts in Rs. Lakhs, unless otherwise stated)

	Note	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
Current liabilities				
Financial liabilities				
Trade payables	20	1,428	1,603	1,418
Other financial liabilities	21	9	38	57
Provisions	18	86	99	150
Current tax liabilities (net)	22	3,431	2,883	2,792
Other current liabilities	23	279	573	360
Total current liabilities		**5,233**	**5,196**	**4,777**
Total equity and liabilities		**24,344**	**23,813**	**24,096**

See accompanying notes to the financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Bhavani Balasubramanian
Partner

Place: Bangalore
Date: 24 May, 2018

For and on behalf of the Board of Directors

Ashok Kumar Ramanathan
Independent Director

Place: Bangalore
Date: 24 May, 2018

Shrenik Kumar Champalal
Whole Time Director and
Chief Executive Officer (Interim)
Place: Bangalore
Date: 24 May, 2018

Gidugu Kalpana Tatavarti
Non-Executive Director
Place: Bangalore
Date: 24 May, 2018

Henry D' Souza
Independent Director
Place: Bangalore
Date: 24 May, 2018

Suresh Akella
Chief Financial Officer
Place: Bangalore
Date: 24 May, 2018

Mayank Jain
Company Secretary
Place: Bangalore
Date: 24 May, 2018

XCHANGING SOLUTIONS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in Rs. Lakhs, unless otherwise stated)

	Note	For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
Revenue from operations	24	5,593	9,902
Other income	25	1,048	1,074
Total Income		6,641	10,976
Expenses			
Employee benefits expense	26	3,340	6,502
Finance costs	27	4	15
Depreciation and amortisation expense	28	102	280
Other expenses	29	1,899	4,800
Total expenses		5,345	11,597
Profit/ (Loss) before tax		1,296	(621)
Tax expense			
Current tax	30	715	306
Current tax- for the earlier years		(27)	-
Net Current tax		688	306
Deferred tax	30	47	(259)
Total tax expense / (benefit)		735	47
Profit/ (Loss) for the period		**561**	**(668)**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		45	1
(ii) Income tax relating to items that will not be reclassified to profit or loss		(16)	-
Total other comprehensive income		29	1
Total Comprehensive Income/ (expense) for the period		**590**	**(667)**
Earnings/ (Loss) per Equity Share (of Rs.10 each)	32		
Basic- In Rs		0.50	(0.60)
Diluted- In Rs		0.50	(0.60)

See accompanying notes to the financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Bhavani Balasubramanian
Partner

Place: Bangalore
Date: 24 May, 2018

For and on behalf of the Board of Directors

Ashok Kumar Ramanathan
Independent Director
Place: Bangalore
Date: 24 May, 2018

Shrenik Kumar Champalal
Whole Time Director and
Chief Executive Officer (Interim)
Place: Bangalore
Date: 24 May, 2018

Gidugu Kalpana Tatavarti
Non-Executive Director
Place: Bangalore
Date: 24 May, 2018

Henry D' Souza
Independent Director
Place: Bangalore
Date: 24 May, 2018

Suresh Akella
Chief Financial Officer
Place: Bangalore
Date: 24 May, 2018

Mayank Jain
Company Secretary
Place: Bangalore
Date: 24 May, 2018

XCHANGING SOLUTIONS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in Rs. Lakhs, unless otherwise stated)

a EQUITY SHARE CAPITAL

Balance at January 1, 2016	**11,140**
Changes in equity share capital during the period	-
Balance at March 31, 2017	**11,140**
Changes in equity share capital during the year	-
Balance at March 31, 2018	**11,140**

b OTHER EQUITY

Particulars	Reserves & Surplus				
	Capital reserve	Securities premium	Stock compensation adjustment	Retained earnings	Total other equity
Balance as of January 1, 2016	**57**	**8,417**	**7**	**(770)**	**7,711**
Loss for the period	-	-	-	(668)	(668)
Recognition of share-based payments			(7)		(7)
Other comprehensive income for the period, net of income tax	-	-	-	1	1
Balance as of March 31, 2017	**57**	**8,417**	**-**	**(1,437)**	**7,037**

Particulars	Reserves & Surplus				
	Capital reserve	Securities premium	Stock compensation adjustment	Retained earnings	Total other equity
Balance as of April 1, 2017	**57**	**8,417**	**-**	**(1,437)**	**7,037**
Profit for the year	-	-	-	561	561
Other comprehensive income for the year, net of income tax	-	-	-	29	29
Balance as of March 31, 2018	**57**	**8,417**	**-**	**(847)**	**7,627**

See accompanying notes to the financial statements

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Bhavani Balasubramanian
Partner

Place: Bangalore
Date: 24 May, 2018

For and on behalf of the Board of Directors

Ashok Kumar Ramanathan
Independent Director
Place: Bangalore
Date: 24 May, 2018

Shrenik Kumar Champalal
Whole Time Director and
Chief Executive Officer (Interim)
Place: Bangalore
Date: 24 May, 2018

Gidugu Kalpana Tatavarti
Non-Executive Director
Place: Bangalore
Date: 24 May, 2018

Henry D' Souza
Independent Director
Place: Bangalore
Date: 24 May, 2018

Suresh Akella
Chief Financial Officer
Place: Bangalore
Date: 24 May, 2018

Mayank Jain
Company Secretary
Place: Bangalore
Date: 24 May, 2018

XCHANGING SOLUTIONS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	1,296	(621)
Adjustments for:		
Depreciation and amortisation expense	102	280
Profit on sale of property, plant and equipment	(2)	(18)
Foreign exchange loss - unrealised	41	87
Interest income	(238)	(600)
Dividend income	(488)	(239)
Provision for mark to market losses on derivatives	-	(1)
Provision for doubtful advances	239	(112)
Provision for doubtful debts	91	910
Liabilities no longer required written back	(52)	(77)
Other provisions no longer required written back	(247)	-
Interest expense	4	15
Other non cash adjustments	28	1
Operating profit before working capital changes	774	(375)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	613	640
Other current assets	(91)	(56)
Loans & other financial assets and other assets	544	672
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(219)	180
Other financial liabilities and other liabilities	(71)	325
Provisions	10	(76)
Cash generated from operations	1,560	1,310
Taxes paid (net of refunds)	(140)	(215)
Net cash generated from operating activities (A)	**1,420**	**1,095**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10)	(98)
Proceeds from sale of property, plant and equipment	74	113
Dividend income	488	239
Long term deposits with banks with maturity period more than 3 months but less than 12 months	(112)	(12)
Long term deposits with banks with maturity period more than 12 months	91	(86)
Interest received	370	830
Net cash (used in) / generated from investing activities (B)	**901**	**986**

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	-	44
Repayment from long-term borrowings	(70)	(107)
Interest paid	(4)	(15)
Net cash used in financing activities (C)	**(74)**	**(78)**
Net (decrease) / increase in cash and cash equivalents (A + B + C)	**2,247**	**2,003**
Cash and cash equivalents at the beginning of the year/ period	10,360	8,357
Cash and cash equivalents at the end of the year/ period	**12,607**	**10,360**
Cash on hand	-	-
Balances with banks:		
In current accounts	337	129
Demand deposits (less than 3 months maturity)	119	132
Net cash and cash equivalents included in note 13	456	261
Current investments considered as cash equivalents	12,151	10,099
Cash and cash equivalents	**12,607**	**10,360**

Notes:

(1) Figures in brackets indicate cash outflow.

See accompanying notes forming part of the financial statements

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Bhavani Balasubramanian
Partner

Place: Bangalore
Date: 24 May, 2018

For and on behalf of the Board of Directors

Ashok Kumar Ramanathan
Independent Director

Place: Bangalore
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Shrenik Kumar Champalal
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Date: 24 May, 2018

Suresh Akella
Chief Financial Officer
Place: Bangalore
Date: 24 May, 2018

Mayank Jain
Company Secretary
Place: Bangalore
Date: 24 May, 2018

XCHANGING SOLUTIONS LIMITED
Notes forming part of the Financial Statements

(All amounts in Rs. Lakhs, unless otherwise stated)

1. General Information

Xchanging Solutions Limited ('the Company'), incorporated on February 1, 2002, is an information technology (IT) services provider with operations in India and an international presence established through subsidiaries in USA, Singapore and the UK.

Pursuant to agreements, arrangements, amalgamations, etc. (with requisite approvals from various High Courts in India, wherever applicable), the Company has, during earlier years, acquired the IT services businesses (including assets and liabilities) of / from the following entities:

- SSI Limited (Information Technology division with operations in India, USA and several other countries).
- Scandent Group Limited, Mauritius (with operations in USA, Singapore, Germany, etc.).
- Matrix One India Limited (with operations in India).

Pursuant to share purchase agreements between Xchanging (Mauritius) Limited (XML), a wholly owned subsidiary of Xchanging Ltd (Formerly known as "Xchanging Plc") incorporated in UK, and the erstwhile principal shareholders of the Company, and consequent open offer to public, XML acquired 75.00% of the outstanding share capital of the Company. Though the open offer process was completed on April 9, 2009, XML obtained the power of operational control of the Company effective January 1, 2009. On June 18, 2015 , XML has sold 22.93% of its holding in the Company to its fellow subsidiary Xchanging Technology Services India Private Limited, India ('XTSIPL') and as a result XML holding in the Company has reduced to 52.07%.

Shareholding pattern as at the year-end is given below:

Name of the shareholder	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
Xchanging (Mauritius) Limited	52.07%	52.07%	52.07%
Xchanging Technology Services India Private Limited, India	22.93%	22.93%	22.93%
DXC Technology India Private Limited (previously known as CSC Technologies India Private Limited) *	3.77%	3.77%	-
Scandent Holding Mauritius Limited **	10.21%	10.49%	11.82%
AMPS Nominee Limited	-	-	3.77%
Katra Finance Limited	2.70%	2.70%	2.70%
Others	8.32%	8.04%	6.71%
	100.00%	**100.00%**	**100.00%**

* DXC Technology India Private Limited (Promoters group) acquired 3.77% of shares on January 6, 2017 through mandatory open offer.

** Edelweiss Securities Limited holds shares as Registered Owner from December 29, 2016 onwards as collateral on behalf of Scandent Holding Mauritius Limited.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is January 1, 2016. Refer note 47 for the details of first-time adoption exemptions availed by the Company.

2.2 Basis of preparation and presentation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-bases payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

2.3 Revenue recognition

Revenue is recognised net of Goods and Services Tax (GST) to the extent that it is probable that economic benefit will flow to the Company and that revenue can be reliably measured.

(i) Revenue from time and material contracts are recognised as related services are rendered.

(ii) Revenue from fixed price contracts for delivering services is recognised under the percentage of completion method wherein revenue is recognised based on services performed to date as a percentage of total services to be performed.

(iii) Revenue from maintenance contracts are recognised rateably over the term of the maintenance contract on a straight-line basis.

(iv) Revenue from certain services are recognised as the services are rendered, on the basis of an agreed amount in accordance with the agreement entered into by the Company.

(v) Revenue from sale of user licenses for software application is recognised on transfer of the title in the user license.

(vi) Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.

(vii) Deferred and unearned revenues represent the estimated unearned portion of fees derived from certain fixed-rate service agreements. Unearned revenues for fixed fee contracts are recognised on a pro-rata basis over the term of the underlying service contracts, which are generally one year.

(viii) Unbilled revenue represents costs and earnings in excess of billings as at the balance sheet date.

2.4 Other Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.5 Leases

As a lessee:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.6 Foreign currencies

(i) Functional and presentation currency

The functional currency of the Company is the Indian rupee.

(ii) Initial recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(iii) Subsequent recognition:

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

All monetary assets and liabilities in foreign currency are restated at the end of accounting period other than those monetary assets which are provided for being doubtful of recovery.

Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

(iv) Forward exchange contracts not intended for trading or speculation purposes:

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

(v) Forward exchange contracts outstanding as at the period end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

2.7 Employee benefits

2.7.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest. is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.7.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits. are measured at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.8.1 Current tax

Income tax expense or credit for the period is the tax payable on the current period's taxable income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

2.8.2 Deferred tax

Deferred income tax assets and liabilities are recognized for all temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred taxes and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.8.3 Current tax and deferred tax for the year

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.9 Property, plant and equipment and depreciation

(i) Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses. Cost comprises the purchase price and any directly attributable costs of bringing the assets to their working condition for their intended use.

(ii) Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, plant & equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc:

Category of assets	Estimated useful life
Computers	3
Vehicles	2 to 6
Office equipment	5
Furniture and fixtures	5

(iii) Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

(iv) Leasehold improvements are amortised over the period of lease or five years, whichever is lower.

(v) Assets individually costing up to Rupees five thousand are fully depreciated in the year of purchase.

(vi) Capital work-in-progress: Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of January 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost of the property, plant and equipment as of the transition date.

2.10 Intangible Assets and Amortisation

Intangible assets with finite useful lives are stated at cost of acquisition less accumulated amortisation and impairment losses.

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. Intangible assets comprise of computer software which is amortised on straight-line basis over an estimated useful life of one to six years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as of January 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost of the Intangible assets as of the transition date.

2.11 Impairment of tangible and intangible assets other than goodwill

The carrying values of tangible and intangible assets at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.12 Provisions and contingent liabilities

Provisions: A provision is recognised when the Company has a present obligation as a result of past events and 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 (excluding retirement benefits) are not discounted to their 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.

Provisions for onerous contracts (i.e., contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it) are recognised when it is probable that cash outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Contingent liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

2.13 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.14 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value depending on the classification of the Financial assets.

2.14.1 Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer Note 2.14.3

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for financial assets that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI financial assets. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for financial assets through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on financial assets at FVTOCI, refer Note 2.14.3

All other financial assets are subsequently measured at fair value.

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

Financial assets that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, financial assets that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.14.3 Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the Financial assets that are initially measured at fair value with subsequent measurement at amortised cost e.g Trade receivables, unbilled revenue etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR).

Allowance for Trade receivables

The Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

2.14.4 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

2.14.5 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

2.14.6 Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

2.15 Financial liabilities

Classification as debt

Debt are classified as financial liabilities in accordance with the substance of the contractual arrangements and the definitions of a financial liability

Financial liabilities

2.15.1 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL, are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

2.15.2 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

2.15.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired, An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.16 Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks through foreign exchange forward contracts. Further details of derivative financial instruments are disclosed in note 34.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

2.17 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.18 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.20 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.21 Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance based on an analysis of various performance indicators by business segments and geographic segments.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, is included as "Unallocated". Segment assets includes all the assets except for deferred tax assets which are treated as unallocable.

The dominant source of risk and returns of the enterprise is considered to be the business in which it operates, viz. - Information Technology (IT) Services. The sub businesses are fully aligned to IT Services business of the Company and the same are being viewed by the management as a single business segment. Being a single business segment company, no primary segment information is being provided.

2.22 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, 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 or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.23 Project work expenses

Project work expenses represents amounts charged by sub-contractors. These expenses are recognised on an accrual basis.

2.24 GST/ Service tax input credit

GST/ Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/ utilising the credits.

2.25 Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

2.26 Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is in process of evaluating the effect of this on the financial statements and the impact is expected to be insignificant.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

i) Revenue recognition- The Company uses the percentage of completion method using the input (cost expended or efforts spend) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. As the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

ii) Impairment of investment in subsidiaries- Determining whether investment in subsidiaries is impaired requires an estimation of the value in use of the subsidiaries. The value in use calculation requires the management to estimate the future cash flows expected to arise from the subsidiaries operations and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. No impairment for investment in subsidiaries has been identified during the year.

iii) Income taxes- The Company's two major tax jurisdictions in India and the Company also files tax returns. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Also refer to note 30.

iv) Other estimates- The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

v) Fair value measurements and valuation processes- Investment in mutual funds, derivative financial instruments are measured at fair value and the gratuity liability is measured based on actuarial valuation for financial reporting purposes. In estimating the fair value and actuarial valuation, the Company uses market-observable data to the extent it is available. Where such inputs are not available, the Company engages third party qualified valuers to perform the valuation.

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
4 PROPERTY, PLANT AND EQUIPMENT			
(Refer note 2.9 and 2.11)			
(Owned unless specified)			
Carrying amounts of:			
Leasehold Improvements	-	-	7
Computers	11	65	195
Vehicles	4	79	147
Office Equipment	19	35	85
Furniture and Fittings	-	12	25
	34	**191**	**459**

Particulars	Leasehold Improvements	Computers	Vehicles	Office Equipment	Furniture and Fittings	Total
Gross carrying value						
Balance as at January 1, 2016	534	1,577	282	293	262	2,948
Additions	-	31	53	2	-	86
Disposals	(342)	(512)	(153)	(59)	(24)	(1,090)
Balance as at March 31, 2017	**192**	**1,096**	**182**	**236**	**238**	**1,944**
Additions	-	-	-	6	-	6
Disposals	(192)	-	(146)	(79)	(228)	(645)
Balance as at March 31, 2018	**-**	**1,096**	**36**	**163**	**10**	**1,305**
Accumulated depreciation						
Balance as at January 1, 2016	527	1,382	135	208	237	2,489
Depreciation expense	3	147	76	24	10	260
Eliminated on disposals of assets	(338)	(498)	(108)	(31)	(21)	(996)
Balance as at March 31, 2017	**192**	**1,031**	**103**	**201**	**226**	**1,753**
Depreciation expense	-	54	19	15	3	91
Eliminated on disposals of assets	(192)	-	(90)	(72)	(219)	(573)
Balance as at March 31, 2018	**-**	**1,085**	**32**	**144**	**10**	**1,271**
Net carrying value as at March 31, 2018	**-**	**11**	**4**	**19**	**-**	**34**
Net carrying value as at March 31, 2017	**-**	**65**	**79**	**35**	**12**	**191**
Net carrying value as at January 1, 2016	**7**	**195**	**147**	**85**	**25**	**459**

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
5 OTHER INTANGIBLE ASSETS			
(Refer note 2.10 and 2.11)			
Carrying amounts of:			
Computer software	4	13	20
	4	**13**	**20**

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Computer software	Total
Gross carrying value		
Balance as at January 1, 2016	828	828
Additions	13	13
Disposals	-	-
Balance as at March 31, 2017	**841**	**841**
Additions	2	2
Disposals	(312)	(312)
Balance as at March 31, 2018	**531**	**531**
Accumulated amortisation		
Balance as at January 1, 2016	808	808
Amortisation expense	20	20
Disposals	-	-
Balance as at March 31, 2017	**828**	**828**
Amortisation expense	11	11
Disposals	(312)	(312)
Balance as at March 31, 2018	**527**	**527**
Net carrying value as at March 31, 2018	**4**	**4**
Net carrying value as at March 31, 2017	**13**	**13**
Net carrying value as at January 1, 2016	**20**	**20**

		As at Mar 31, 2018		**As at Mar 31, 2017**		**As at Jan 1, 2016**
6 NON-CURRENT INVESTMENTS						
Investments in equity instruments						
Wholly owned Subsidiary Companies :						
(Unquoted, at cost, unless otherwise stated, fully paid up)						
(Refer note 2.11, 2.20, 2.14.6 and 3.1.(ii))						
Xchanging Solutions (Singapore) Pte Limited, Singapore 2,300,000 (2017: 2,300,000, 2016: 2,300,000) ordinary shares of Singapore$1 each		7		7		7
Xchanging Solutions (Europe) Limited, UK 2,664,278 (2017: 2,664,278, 2016: 2,664,278) ordinary shares of GBP 1 each [Refer note 41]	2,222		2,222		2,222	
(Less): Provision for diminution in value of investment	(2,222)	-	(2,222)	-	(2,222)	-
Xchanging Solutions (USA) Inc, USA 9,930,062 (2017: 9,930,062, 2016: 9,930,062) common stock of US$1 each [Refer note 40]	11,224		11,224		11,224	
(Less): Provision for diminution in value of investment	(6,045)	5,179	(6,045)	5,179	(6,045)	5,179
		5,186		**5,186**		**5,186**
Aggregate carrying value of unquoted investments		13,453		13,453		13,453
Aggregate amount of impairment in value of investments		(8,267)		(8,267)		(8,267)

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
7 LOANS			
(Refer note 2.14 and 2.17)			
Unsecured, considered good unless otherwise stated			
Loans and advances:			
Subsidiaries [Refer note 40]:			
- Considered doubtful	17,283	17,283	17,283
(Less): Provision for doubtful loans	(17,283)	(17,283)	(17,283)
Fellow subsidiaries [Refer note 35]	1,868	1,868	1,868
	1,868	**1,868**	**1,868**

Note: As at March 31, 2018, the loans and advances balance of Rs. 17,283 (2017: Rs. 17,283, 2016: Rs. 17,283) due from subsidiaries is interest free and repayable on demand. However, management does not have an intention to demand these loans in the next 12 months and hence these have been classified under non-current financial assets. These financial assets are carried at amortised cost.

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
8 OTHER FINANCIAL ASSETS			
(Refer note 2.3, 2.14 and 2.17)			
Unsecured considered good unless otherwise stated			
Non-current			
Security deposits	-	299	248
Long term deposits with banks with maturity period more than 12 months	34	125	39
[Held as lien by bank Rs 16 (2017: Rs 110, 2016: Rs 30)]			
Interest accrued on loans to fellow subsidiaries	-	-	71
Interest accrued on bank deposits	3	11	2
	37	**435**	**360**
Current			
Expenses recoverable from related parties [Refer note 35]:			
Subsidiaries	-	9	81
Fellow subsidiaries	4	92	62
Security deposits	299	-	-
Unbilled revenue	200	684	1,031
Interest accrued on loans to fellow subsidiaries [Refer note 35]	17	155	240
Interest accrued on bank deposits	17	3	86
Other Loans and advances (includes advances to employees and other receivables)	116	101	71
	653	**1,044**	**1,571**

(All amounts in Rs. Lakhs, unless otherwise stated)

9 DEFERRED TAX ASSETS (NET)

(Refer note 2.8 and 3.1.(iii))

Details of deferred tax assets and liabilities as at March 31, 2018 comprise of the following:

Particulars	**As at April 1, 2017**	**(Credit)/ Charged to Statement of Profit and Loss**	**As at March 31, 2018**
Deferred Tax Assets			
Depreciation	269	60	209
Provision for gratuity	131	27	104
Provision for compensated absences	13	(7)	20
Provision for other employee benefits	27	(37)	64
Provision for doubtful debts	359	31	328
Provision for doubtful advances	99	(55)	154
Others	64	28	36
Total (A)	**962**	**47**	**915**
Deferred Tax Liabilities (B)	**-**	-	-
Deferred Tax Assets (Net) (A)-(B)	**962**	**47**	**915**

As at March 31, 2017

Particulars	**As at January 1, 2016**	**(Credit)/ Charged to Statement of Profit and Loss**	**As at March 31, 2017**
Deferred Tax Assets			
Depreciation	295	26	269
Provision for gratuity	138	7	131
Provision for compensated absences	18	5	13
Provision for other employee benefits	58	31	27
Provision for doubtful debts	44	(315)	359
Provision for doubtful advances	134	35	99
Others	16	(48)	64
Total (A)	**703**	**(259)**	**962**
Deferred Tax Liabilities (B)	**-**	-	-
Deferred Tax Assets (Net) (A)-(B)	**703**	**(259)**	**962**

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
10 OTHER ASSETS			
(Refer note 2.24 and 34)			
Unsecured considered good unless otherwise stated			
Non-current			
Capital advances	-	-	2
Prepaid Expenses	19	25	1
Advances recoverable in kind	1,385	1,300	1,300
Balances with Government Authorities (Service tax & GST)			
- Considered good	112	408	681
- Considered doubtful	526	287	389
(Less): Provision for doubtful advances	(526)	(287)	(389)
	1,516	**1,733**	**1,984**
Current			
Balances with Government Authorities (Service tax)			
- Considered good	167	32	17
- Considered doubtful	-	-	10
(Less): Provision for doubtful advances	-	-	(10)
Prepaid Expenses	30	74	33
	197	**106**	**50**
11 CURRENT INVESTMENTS			
(Unquoted)			
(Refer note 2.20 and 3.1.(v))			
Investment in mutual funds [Refer note (i) below]	12,151	10,099	-
	12,151	**10,099**	**-**

(i) Current investments include investments in the nature of “Cash and cash equivalents” amounting to Rs 12,151 (2017: Rs 10,099, 2016: Rs Nil) considered as part of Cash and cash equivalents in the Cash Flow Statement.

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
Aggregate carrying value of unquoted investments	12,151	10,099	-
Category-wise investments as per Ind AS 109 classification			
Financial assets carried at fair value through profit or loss (FVTPL)	12,151	10,099	-
12 TRADE RECEIVABLES			
(Refer note 2.14, 3.1.(iv) and 34)			
(Unsecured)			
Considered good	1,203	1,903	3,538
Considered doubtful	1,128	1,037	127
Less: Provision for doubtful trade receivables	(1,128)	(1,037)	(127)
	1,203	**1,903**	**3,538**

Note:

The credit period ranges from 0 to 60 days. No interest is charged on trade receivables up to the due date. Cumulative balance of customers with more than 5% of total trade receivables amounts to Rs 783 (2017: Rs. 1,018, 2016: Rs. 2,813)

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
13 CASH AND CASH EQUIVALENTS			
(Refer note 2.18)			
Balances with banks			
In current accounts	337	129	1,302
In demand deposit accounts (less than 3 months maturity)	119	132	7,055
Cash on hand	-	-	-
Cash and cash equivalent as per statement of cash flow	**456**	**261**	**8,357**

Fixed Deposits with Banks include:
Rs. Nil (2017: Rs. 105, 2016: Rs. 105) which are under lien for issue of bank guarantees

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
14 OTHER BANK BALANCES			
Long Term Deposit with maturity more than 3 months but less than 12 months	124	12	-
	124	**12**	**-**

Fixed Deposits with Banks include:
Rs. 109 (2017: Rs. 3, 2016: Rs. Nil) which are under lien for issue of bank guarantees

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
15 EQUITY SHARE CAPITAL			
Authorised capital:			
125,000,000 (2017: 125,000,000, 2016: 125,000,000) Equity shares of Rs.10 each	12,500	12,500	12,500
Issued, subscribed and paid up capital:			
111,403,716 (2017: 111,403,716, 2016: 111,403,716) Equity shares of Rs.10 each fully paid up	11,140	11,140	11,140
	11,140	**11,140**	**11,140**

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year are as given below:

Equity Shares	As at March 31, 2018		As at March 31, 2017		As at January 1, 2016	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year/period	111,403,716	11,140	111,403,716	11,140	111,403,716	11,140
Add / (Less): Movement during the year / period	-	-	-	-	-	-
Shares outstanding at the end of the year / period	**111,403,716**	**11,140**	**111,403,716**	**11,140**	**111,403,716**	**11,140**

(All amounts in Rs. Lakhs, unless otherwise stated)

b) Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of shares held by the holding company and its subsidiaries:

Name of Shareholder	As at Mar 31, 2018 Number of Shares	As at Mar 31, 2017 Number of Shares	As at Jan 1, 2016 Number of Shares
Xchanging (Mauritius) Limited, the holding company	58,002,787	58,002,787	58,002,787
Xchanging Technology Services India Private Limited, subsidiary of Holding Company*	25,550,000	25,550,000	25,550,000
	83,552,787	**83,552,787**	**83,552,787**

* Xchanging Technology Services India Private Limited had become the subsidiary of Xchanging (Mauritius) Limited on March 31, 2017.

d) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at March 31, 2018		As at March 31, 2017		As at January 1, 2016	
	Number of Shares held	Percentage	Number of Shares held	Percentage	Number of Shares held	Percentage
Xchanging (Mauritius) Limited	58,002,787	52.07	58,002,787	52.07	58,002,787	52.07
Xchanging Technology Services India Private Limited	25,550,000	22.93	25,550,000	22.93	25,550,000	22.93
Scandent Holding Mauritius Limited	11,370,849	10.21	11,691,008	10.49	13,167,551	11.82

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
16 OTHER EQUITY			
Capital reserve	57	57	57
Securities premium	8,417	8,417	8,417
Stock compensation adjustment	-	-	7
Retained earnings	(847)	(1,437)	(770)
	7,627	**7,037**	**7,711**

	As at Mar 31, 2018	As at Mar 31, 2017
16.1 Capital reserve		
Balance at the beginning of the year/ period	57	57
Add / (Less): Movement during the year/ period	-	-
Balance at the end of the year/ period	57	57

Capital reserve represents waiver of liability by Scandent Holding Mauritius Limited, erstwhile ultimate holding company.

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at Mar 31, 2018	As at Mar 31, 2017
16.2 Securities premium		
Balance at the beginning of the year/ period	8,417	8,417
Add / (Less): Movement during the year/ period	-	-
Balance at the end of the year/ period	8,417	8,417

Amounts received (on issue of shares) in excess of the par value has been classified as securities premium.

	As at Mar 31, 2018	As at Mar 31, 2017
16.3 Stock compensation adjustment		
Balance at the beginning of the year/ period	-	7
Recognition of share-based payments	-	(7)
Balance at the end of the year/ period	**-**	**-**

The above reserve relates to share options granted by the Company to its employees under its employee share option plan.

	As at Mar 31, 2018	As at Mar 31, 2017
16.4 Retained earnings		
Balance at the beginning of the year/ period	(1,437)	(770)
Profit/ (Loss) for the year/ period	561	(668)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	29	1
Balance at the end of the year/ period	(847)	(1,437)

Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
17 NON-CURRENT BORROWINGS			
(Refer note 2.15)			
Secured- at amortised cost			
From Bank:			
Loan for purchase of vehicles [Refer note 21]	3	46	91
	3	**46**	**91**

Nature of security and terms of repayment for secured borrowings are as follows:

a) **Nature of security:** Vehicles purchased on loan for employees

b) **Terms of Repayment:** Monthly payment of equated monthly instalments for a period of 3-6 years (2017: 3-6 years, 2016: 2-6 years)

c) **Interest rate:** 9.7% to 10.5% per annum (2017: 9.5% to 10.5% per annum, 2016: 9.5% to 13.5% per annum)

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
18 PROVISIONS			
(Refer note 2.7)			
Non-current			
Provision for employee benefits :			
Provision for compensated absences	55	-	-
Provision for gratuity [Refer note 33]	285	317	308
Provision for long service award	-	-	34
	340	**317**	**342**
Current			
Provision for employee benefits :			
Provision for compensated absences	14	38	51
Provision for gratuity [Refer note 33]	72	61	91
Provision for long service award	-	-	8
	86	**99**	**150**
19 OTHER NON-CURRENT LIABILITIES			
Rent equalisation	-	60	35
Asset retirement obligation	1	17	-
	1	**77**	**35**
20 TRADE PAYABLES			
(Refer note 2.15)			
Due to:			
Subsidiaries [Refer note 35]	92	197	174
Related parties [Refer note 35]	425	324	236
Others:			
Goods & services	617	790	763
Employee related payables	294	292	245
	1,428	**1,603**	**1,418**

Notes:

(i) There are no dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as of March 31, 2018, March 21, 2017 and January 1, 2016, outstanding for more than 45 days on the basis of such parties having been identified by management and relied upon by the auditors.

(ii) The credit period ranges from 0 to 90 days. No interest is charged on trade payables up to the due date. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
21 OTHER FINANCIAL LIABILITIES			
(Refer note 2.6, 2.15 and 2.16)			
Current maturities of long-term borrowings [Refer note 17]	8	35	53
Payable on purchase of fixed assets	1	3	3
Provision for mark to market losses on derivatives [Refer note 34]	-	-	1
	9	**38**	**57**
22 CURRENT TAX ASSETS AND LIABILITIES			
(Refer note 2.8 and 3.1.(iii))			
Current tax assets			
Tax refund receivable	3,063	2,907	2,831
	3,063	2,907	2,831
Current tax liabilities			
Income tax payable	6,494	5,790	5,623
	6,494	5,790	5,623
	3,431	**2,883**	**2,792**
23 OTHER CURRENT LIABILITIES			
(Refer note 2.3 and 2.6)			
Income received in advance (Unearned revenue)	202	306	232
Statutory remittances (Contributions to PF, ESIC, Withholding Taxes, GST etc.)	74	128	118
Advances from customers	3	139	10
	279	**573**	**360**

	For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
24 REVENUE FROM OPERATIONS		
(Refer note 2.3 and 3.1.(i))		
Software services	5,593	9,902
	5,593	**9,902**

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
25 OTHER INCOME		
(Refer note 2.4 and 2.6)		
a) Interest Income		
Interest income earned on financial assets that are not designated as at fair value through profit or loss (at amortised cost):		
Bank deposits	14	320
Interest income on loans to fellow subsidiaries [Refer note 35]	224	280
	238	600
b) Dividend income		
Dividends from current investments	488	239
All dividends from mutual funds carried at fair value through P&L recognised for both the years relate to investments held at the end of each reporting period.		
c) Other non-operating income (net of expenses directly attributable to such income)		
Provision for doubtful advances no longer required written back	-	112
Other provisions no longer required written back	247	-
Liabilities no longer required written back	52	77
Others (aggregate of immaterial items)	5	28
	304	217
d) Other gains and losses		
Profit on sale of property, plant and equipment (net)	2	18
Foreign exchange gain (net)	16	-
	18	18
(a+b+c+d)	**1,048**	**1,074**
26 EMPLOYEE BENEFITS EXPENSE		
(Refer note 2.7 and 33)		
Salaries and wages including bonus	3,066	5,918
Contribution to provident and other funds [Refer note 33]	152	331
Gratuity expenses [Refer note 33]	83	127
Staff welfare expenses	39	126
	3,340	**6,502**

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
27 FINANCE COSTS		
Interest expenses on borrowings (not classified as at FVTPL)	4	15
	4	**15**
28 DEPRECIATION AND AMORTISATION EXPENSE (Refer note 2.9, 2.10 and 2.17)		
Depreciation of property, plant and equipment [Refer note 4]	91	260
Amortisation of intangible assets [Refer note 5]	11	20
	102	**280**
29 OTHER EXPENSES (Refer note 2.5, 2.6, 2.12, 2.17 and 2.23)		
Project work expenses	323	754
Power and fuel	75	158
Rent including lease rentals [Refer note 36]	159	470
Repairs and maintenance:		
Computer equipments	188	261
Leasehold improvements	-	11
Others	83	207
Insurance	52	95
Rates and taxes	2	16
Communication	209	338
Travelling and conveyance	118	481
Business promotion	35	136
Training and development	2	31
Expenditure towards Corporate Social Responsibility (CSR) activities [Refer note 39]	21	15
Legal and professional	95	273
Payments to auditors (Refer Note (i) below)	117	145
Foreign exchange loss (net)	-	306
Provision for doubtful debts (net)	91	910
Provision for doubtful advances	239	-
Directors' sitting fees	27	34
Miscellaneous expenses	63	159
	1,899	**4,800**
Note:		
(i) Payments to the auditors comprise (net of taxes, where applicable):		
Statutory audit	58	93
Limited review of quarterly financial results	44	46
Tax audit	11	-
Certifications	-	-
Out-of-pocket expenses	4	6
Total	117	145

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
30 INCOME TAXES		
(Refer note 2.8 and 3.1.(iii))		
1. Income tax recognised in profit or loss		
Current tax		
In respect of current year	715	306
Deferred tax		
In respect of current year	47	(259)
Total income tax expense /(gain) recognised in the current year	**762**	**47**
2. The income tax expense for the year can be reconciled to the accounting profit/ (loss) as follows:		
Profit/ (loss) before tax	1,296	(621)
Income tax Expense Calculated at 34.608% (2017: 33.063%)	448	-
Effect of notional income recognised for taxation	269	257
Effect of change in tax rate	172	-
Effect of income that is exempt from taxation	(169)	80
Effect of inadmissible expenses	10	8
Effect of admissible deductions	(4)	(2)
Others	36	(296)
Income tax expense recognised in Profit and Loss	**762**	**47**

The income tax rate used for the above reconciliations is current tax 34.608% (2017: 33.063%) and Deferred tax 29.120% (2017: 33.063%), these are the corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law.

3. Income tax recognised in other comprehensive income:		
Income tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(16)	-
Total	(16)	-
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(16)	-
Items that may be reclassified to profit or loss	-	-

31 SEGMENT INFORMATION

(Refer note 2.21)

The entire operation of the Company relate only to one segment "Software Services" and hence there are no primary segment to be reported.

(All amounts in Rs. Lakhs, unless otherwise stated)

The secondary segment information as per Ind AS 108 “Operating Segments” in relation to the geographies is as follows:

	Revenue by location of customers	
	Mar 31, 2018	Mar 31, 2017
Europe	2,053	4,850
USA	1,852	3,478
India	1,286	1,089
Rest of the World	402	485
	5,593	**9,902**

Balance of customers with more than 10% of total revenue amounts to Rs 3,816 (2017: Rs. 6,633)

	Carrying amount of segment assets by location of the assets			Addition to Fixed Assets		
	Mar 31, 2018	Mar 31, 2017	Jan 1, 2016	Mar 31, 2018	Mar 31, 2017	Jan 1, 2016
Europe	613	581	1,794	-	-	-
USA	6,292	7,762	7,435	-	-	-
India	16,245	14,464	13,914	8	99	186
Rest of the World	279	44	250	-	-	-
	23,429	**22,851**	**23,393**	**8**	**99**	**186**

		For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
32	**EARNINGS PER SHARE**		
	(Refer note 2.22)		
	Basic earnings per share		
	Profit/ (Loss) for the year after tax	561	(668)
	Nominal value per share (Rs.)	10	10
	Weighted average number of equity shares considered for calculating basic (loss) / earnings per share – (A)	111,403,716	111,403,716
	Earnings/ (loss) per share – Basic (Rs.)	**0.50**	**(0.60)**
	Diluted earnings per share		
	Weighted average number of equity shares considered for calculating diluted (loss) / earnings per share – (B)	111,403,716	111,403,716
	Earnings/ (loss) per share – Diluted (Rs.)	**0.50**	**(0.60)**

(All amounts in Rs. Lakhs, unless otherwise stated)

33 Employee Benefits Expense

(Refer note 2.7)

(a) Defined Contribution Plans

Provident Fund and Other Funds: During the year, the Company has recognised Rs. 152 (2017: Rs. 331) in the Statement of Profit and Loss relating to provident fund and other funds, which is included in the 'Contribution to provident and other funds'.

(b) Defined Benefit Plan

Gratuity (unfunded): The Company provides for gratuity, a defined benefit plan (the "gratuity plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's last drawn salary and years of employment with the Company.

The Company is exposed to various risks in providing the above gratuity benefit such as: interest rate risk, longetivity risk and salary risk.

Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following tables summarise the components of expense recognised in the Statement of Profit and Loss and amounts recognised in the Balance Sheet for the gratuity plan:

	As at Mar 31, 2018	As at Mar 31, 2017
(i) Movement in Present Value of the Defined benefit obligation		
Balance at the beginning of the year	378	399
Current Service Cost	59	89
Interest Cost	24	38
Actuarial (Gains) / Losses- Demographic	-	7
Actuarial (Gains) / Losses- Financial	(16)	24
Actuarial (Gains) / Losses- Experience	(29)	(32)
Benefits paid	(59)	(147)
Present Value of Defined benefit obligation at the end of the year	**357**	**378**

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
(ii) Assets and Liabilities recognised in the Balance Sheet			
Present Value of Defined Benefit Obligation	357	378	399
(Less): Fair Value of Plan Assets	-	-	-
Amounts recognised as liability	**357**	**378**	**399**
Recognised under:			
Long-term provisions (Refer note 18)	285	317	308
Short-term provisions (Refer note 18)	72	61	91
	357	**378**	**399**

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
(iii) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.		
Current Service Cost	59	89
Interest Cost	24	38
Components of defined benefit costs recognised in profit or loss	**83**	**127**
Remeasurement on the net defined benefit liability:		
Actuarial (Gain) / Loss due to Demographic Assumption changes	-	7
Actuarial (Gain) / Loss due to Financial Assumption changes	(16)	24
Actuarial (Gain) / Loss due to Experience	(29)	(32)
Components of defined benefit costs recognised in other comprehensive income	**(45)**	**(1)**
Total	**38**	**126**

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
(iv) Actuarial Assumptions			
Discount Rate	7.20%	6.80% - 7.94%	8.08%
Expected Return on Plan Assets	N/A	N/A	N/A
Attrition Rate	20%	20% - 29%	25%
Increase in Compensation Cost	7.75%	9.00% - 9.25%	9.25%
Retirement Age	60	65	65

	As on Mar 31, 2018	As on Mar 31, 2017	As on Dec 31, 2015	As on Dec 31, 2014	As on Dec 31, 2013
(v) Amounts recognised in current year and previous four years/ period					
Defined Benefit Obligation	357	378	399	352	353
Fair Value of plan assets at the end of the year/ period	-	-	-	-	-
Amount recognized in Balance Sheet (Liability)	(357)	(378)	(399)	(352)	(353)
Experience adjustments in plan assets gains / (losses)	-	-	-	-	-
Experience adjustments in plan liabilities gains / (losses)	45	1	(28)	23	19
(Gains) / losses due to change in assumptions	-	-	-	-	-

Notes:

(i) The estimates of future salary increases, considered in the actuarial valuation, takes into on account, inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

(ii) The discount rate is based on the prevailing market yields of Indian government securities as at the Balance Sheet date for the estimated term of the obligation.

(All amounts in Rs. Lakhs, unless otherwise stated)

(vi) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The following table summarizes the impact on defined benefit obligation arising due to increase / decrease in key actuarial assumptions by 50 basis points:

As at March 31, 2018

Defined Benefit Obligation	Discount rate	Salary increase rate
Impact of decrease	8	(7)
Impact of increase	(7)	8

As at March 31, 2017

Defined Benefit Obligation	Discount rate	Salary increase rate
Impact of decrease	9	(9)
Impact of increase	(9)	9

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of-the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

34 Financial instruments

34.1 Capital management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.The capital structure of the Company consists net debt (borrowings as detailed in notes 17 and 21) and total equity of the Company.The Company is not subject to any externally imposed capital requirements.

34.1.1 Debt equity ratio

The debt equity ratio at end of the reporting period was as follows.

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
Debt (i)	11	81	144
Net debt	**11**	**81**	**144**
Total equity	**18,767**	**18,177**	**18,851**
Net debt to equity ratio	0.00	0.00	0.01

(i) Debt is defined as long-term and short term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), as described in notes 17 and 21.

(ii) Total equity comprises issued share capital, reserves, retained earnings and other comprehensive income as set out in the statement of changes in equity.

(All amounts in Rs. Lakhs, unless otherwise stated)

	Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
34.2	**Categories of financial instruments**			
	Financial assets			
	Measured at fair value through profit or loss (FVTPL)			
	(a) Mandatorily measured:			
	Investment in mutual funds	12,151	10,099	-
	Measured at amortised cost			
	(a) Cash and bank balances	456	261	8,357
	(b) Bank balances other than above	124	12	-
	(c) Other financial assets at amortised cost	3,761	5,250	7,337
	Financial liabilities			
	Measured at fair value through profit or loss (FVTPL)			
	Derivative financial instruments	-	-	1
	Measured at amortised cost			
	Other financial liability at amortised cost	1,440	1,687	1,565

34.3 Financial risk management

The Company is exposed to foreign currency risk, liquidity risk, credit risk and interest risk which may impact the fair value of its financial instruments. The Company has a risk management policy to manage & mitigate these risks. The Company's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement.

34.4 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note 34.5). The Company enters into derivative financial instruments to manage its exposure to foreign currency risk through forward foreign exchange contracts to hedge the exchange rate risk arising on the export of services to other countries.

34.5 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Liabilities as at			Assets as at		
	Mar 31, 2018	Mar 31, 2017	Jan 1, 2016	Mar 31, 2018	Mar 31, 2017	Jan 1, 2016
GBP	364	288	249	118	431	1,531
USD	41	88	52	1,973	2,647	3,034
Others*	28	52	3	198	211	151
Total	**433**	**428**	**304**	**2,289**	**3,289**	**4,716**

* Others include currencies such as SGD,EUR,MYR and AUD.

(All amounts in Rs. Lakhs, unless otherwise stated)

34.5.1 Foreign currency sensitivity analysis

The Company is mainly exposed to the USD and GBP.

The following table details the Company's sensitivity to a 10% increase and decrease in the Rs. against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the Rs. strengthens 10% against the relevant currency. For a 10% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Particulars	Impact on profit or loss for the year			Impact on total equity as at the end of the reporting period		
	Mar 31, 2018	Mar 31, 2017	Jan 1, 2016	Mar 31, 2018	Mar 31, 2017	Jan 1, 2016
GBP sensitivity						
Increase by 10%	(25)	14	128	(25)	14	128
Decrease by 10%	25	(14)	(128)	25	(14)	(128)
USD sensitivity						
Increase by 10%	193	256	298	193	256	298
Decrease by 10%	(193)	(256)	(298)	(193)	(256)	(298)
Others sensitivity*						
Increase by 10%	17	16	15	17	16	15
Decrease by 10%	(17)	(16)	(15)	(17)	(16)	(15)

* Others include currencies such as SGD,EUR,MYR and AUD.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year. This is mainly attributable to the exposure outstanding on USD receivable and payable in the Company at end of the reporting period.

34.5.2 Forward foreign exchange contracts

It is the policy of the Company to enter into forward foreign exchange contracts to cover specific foreign currency receivables. The Company also enters into forward foreign exchange contracts to manage the risk associated with forecasted transactions.

As at March 31, 2018 and March 31, 2017 there are no outstanding forward foreign exchange contracts.

The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period January 1, 2016:

Outstanding forward contracts	Nominal amounts	Fair value liabilities
<u>**Fair value hedges**</u>		
Sell USD		
Less than 3 months	6	6
3 to 6 months	9	9
Total	**15**	**15**

(All amounts in Rs. Lakhs, unless otherwise stated)

34.6 Interest rate risk management

The Company is exposed to interest rate risk because the Company lend/ borrow funds at fixed interest rates. There is no exposure to market rate fluctuations.The Companies exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

34.7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivables.The Company does not have significant credit risk exposure to any single counterparty.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies

<u>Provision for expected credit losses</u>

The Company provides for expected credit loss based on the following:

<table>
<tr><th rowspan="2">Category</th><th rowspan="2">Description of category</th><th colspan="3">Basis for recognition of expected credit loss provision</th></tr>
<tr><th>Loans at amortised cost</th><th>Other financial assets at amortised cost</th><th>Trade receivables</th></tr>
<tr><td>High quality assets, negligible credit risk</td><td>Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil</td><td rowspan="2">12-month expected credit losses</td><td rowspan="2">12-month expected credit losses</td><td rowspan="3">Life-time expected credit losses (simplified approach)</td></tr>
<tr><td>Standard assets, moderate credit risk</td><td>Assets where the probability of default is considered moderate, however counter-party has sufficient capacity to meet the obligations</td></tr>
<tr><td>Low quality assets, very high credit risk</td><td>Assets where there is a high probability of default and is considered as high risk</td><td>Life-time expected credit losses</td><td>Life-time expected credit losses</td></tr>
<tr><td>Doubtful assets, credit-impaired</td><td>Assets are written off when there is no reasonable expectation of recovery</td><td colspan="3">Asset is written off</td></tr>
</table>

(All amounts in Rs. Lakhs, unless otherwise stated)

March 31, 2018

(a) Expected credit loss for loans and other financial assets at amortised cost

Particulars		Category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	Loans at amortised cost	1,868	0%	-	1,868
		High quality assets, negligible credit risk	Other financial assets at amortised cost	75	0%	-	75
		Standard assets, moderate credit risk	Other financial assets at amortised cost	615	0%	-	615
Loss allowance measured at life-time expected credit losses	Financial assets where there is a high probability of default	Low quality assets, very high credit risk	Loans at amortised cost	17,283	100%	17,283	-

(b) Expected credit loss for trade receivables under simplified approach

Ageing	0-30 Days	31-60 Days	61-90 Days	91-180 Days	180+ Days	Total outstanding
Gross carrying amount	776	244	98	72	1,141	2,331
Expected loss rate	0%	0%	0%	8%	98%	48%
Expected credit losses (Loss allowance provision)	-	-	-	6	1,122	1,128
Carrying amount of trade receivables (net of impairment)	**776**	**244**	**98**	**66**	**19**	**1,203**

(All amounts in Rs. Lakhs, unless otherwise stated)

March 31, 2017

(a) Expected credit loss for loans and other financial assets at amortised cost

Particulars		Category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	Loans at amortised cost	1,868	0%	-	1,868
		High quality assets, negligible credit risk	Other financial assets at amortised cost	395	0%	-	395
		Low quality assets, very high credit risk	Other financial assets at amortised cost	1,084	0%	-	1,084
Loss allowance measured at life-time expected credit losses	Financial assets where there is a high probability of default	Low quality assets, very high credit risk	Loans at amortised cost	17,283	100%	17,283	-

(b) Expected credit loss for trade receivables under simplified approach

Ageing	0-30 Days	31-60 Days	61-90 Days	91-180 Days	180+ Days	Total outstanding
Gross carrying amount	1,021	215	485	96	1,123	2,940
Expected loss rate	0%	16%	0%	0%	89%	35%
Expected credit losses (Loss allowance provision)	-	34	-	-	1,003	1,037
Carrying amount of trade receivables (net of impairment)	**1,021**	**181**	**485**	**96**	**120**	**1,903**

(All amounts in Rs. Lakhs, unless otherwise stated)

January 1, 2016

(a) Expected credit loss for loans and other financial assets at amortised cost

<table>
<tr><th colspan="2">Particulars</th><th>Category</th><th>Asset group</th><th>Estimated gross carrying amount at default</th><th>Expected probability of default</th><th>Expected credit losses</th><th>Carrying amount net of impairment provision</th></tr>
<tr><td rowspan="3">Loss allowance measured at 12 month expected credit losses</td><td rowspan="3">Financial assets for which credit risk has not increased significantly since initial recognition</td><td>High quality assets, negligible credit risk</td><td>Loans at amortised cost</td><td>1,868</td><td>0%</td><td>-</td><td>1,868</td></tr>
<tr><td>High quality assets, negligible credit risk</td><td>Other financial assets at amortised cost</td><td>581</td><td>0%</td><td>-</td><td>581</td></tr>
<tr><td>Standard assets, moderate credit risk</td><td>Other financial assets at amortised cost</td><td>1,350</td><td>0%</td><td>-</td><td>1,350</td></tr>
<tr><td>Loss allowance measured at life-time expected credit losses</td><td>Financial assets where there is a high probability of default</td><td>Low quality assets, very high credit risk</td><td>Loans at amortised cost</td><td>17,283</td><td>100%</td><td>17,283</td><td>-</td></tr>
</table>

(b) Expected credit loss for trade receivables under simplified approach

Ageing	0-30 Days	31-60 Days	61-90 Days	91-180 Days	180+ Days	Total outstanding
Gross carrying amount	1,439	594	491	895	246	3,665
Expected loss rate	0%	0%	0%	0%	52%	3%
Expected credit losses (Loss allowance provision)	-	-	-	-	127	127
Carrying amount of trade receivables (net of impairment)	**1,439**	**594**	**491**	**895**	**119**	**3,538**

34.8 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

34.8.1 Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Average effective interest rate(%)	Less than 1 year	1-2 years	2 years & above	Total carrying value
March 31, 2018					
Non-interest bearing	-	1,429			1,429
Fixed interest rate instruments	10.0%	8	3	-	11
		1,437	3	-	1,440
March 31, 2017					
Non-interest bearing	-	1,606			1,606
Fixed interest rate instruments	10.0%	35	41	5	81
		1,641	41	5	1,687
January 1, 2016					
Non-interest bearing	-	1,421			1,421
Fixed interest rate instruments	11.5%	53	72	19	144
		1,474	72	19	1,565

Fair value hierarchy

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The assets and liabilities measured at fair value on a recurring basis as at March 31, 2018 and the basis for that measurement is as below:

Particulars	Fair Value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss				
- Mutual Funds	12,151	12,151	-	-

There are no financial liabilities measured at fair value

There have been no transfers between Level 1 and Level 2 during the year

The following table discloses the assets and liabilities measured at fair value on a recurring basis as at March 31, 2017 and the basis for that measurement:

Particulars	Fair Value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss				
- Mutual Funds	10,099	10,099	-	-

There are no financial liabilities measured at fair value

There have been no transfers between Level 1 and Level 2 during the year

(All amounts in Rs. Lakhs, unless otherwise stated)

The following table discloses the assets and liabilities measured at fair value on a recurring basis as at January 1, 2016 and the basis for that measurement:

Particulars	Fair Value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss				
- Mutual Funds	-	-	-	-
Liabilities				
Unrealized loss on derivative financial instruments	1	-	1	-

There have been no transfers between Level 1 and Level 2 during the year

Valuation Methodologies

Investments in mutual funds: The Company's investments consist primarily of investment in debt linked mutual funds. Fair values of investment securities classified as fair value through profit and loss are determined using the closing NAV and are classified as Level 1.

Derivative financial instruments: The Company's derivative financial instruments consist of foreign currency forward exchange contracts. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date and are classified as Level 2.

<u>Fair value of financial assets and financial liabilities that are not measured at fair value</u>

The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

35 Related Party Disclosures

A. Names of related parties and nature of relationship:

1) Parties where control exists:

Nature of relationship	Names of related parties
(i) Holding companies:	
Ultimate Holding Company	DXC Technology Company
Intermediate holding companies	Computer Sciences Corporation
	CSC Computer Sciences International Inc.
	Lux 1 Holding Company, Inc.
	CSC Computer Sciences International S.a.r.l.
	DXC Lux 5 S.a.r.l.
	CSC Computer Sciences Holdings S.a.r.l.
	DXC Lux 6 S.a.r.l.
	CSC Computer Sciences International Holdings Limited
	CSC Computer Sciences International Services Limited
	CSC Computer Sciences International Limited
	CSC Computer Sciences International Operations Limited
	Xchanging Limited
	Xchanging Holdings Limited
	Xchanging B.V.
Immediate holding company	Xchanging (Mauritius) Limited, Mauritius ('XML, Mauritius')

(ii) Subsidiary companies	Xchanging Solutions (Europe) Limited, UK ('XSEL, UK') Xchanging Solutions (Singapore) Pte Limited, Singapore ('XSSPL, Singapore') Xchanging Solutions (Malaysia) Sdn Bhd, Malaysia ('XSMSB, Malaysia') Xchanging Solutions (USA) Inc, USA ('XSUI, USA') Nexplicit Infotech India Private Limited, India ('NIIPL, India')
(iii) Key Managerial Personnel (KMP)	
Non Executive Director & Chairman	David Bauernfeind (Non Executive Director & Chairman (upto May 27, 2016)
Executive Director & Chief Executive Officer	Alok K Sinha (upto November 10, 2016)
Executive Director & Chief Executive Officer	Srikrishna Madhavan (from November 11, 2016 to October 13, 2017)
Executive Director & Chief Executive Officer	Ramaswamy Sankaranarayanan Kavalapara (From October 14, 2017 to March 30, 2018)
Executive Director & Chief Executive Officer	Shrenik Kumar Champalal (From March 31, 2018)
Chief Financial Officer	Vinod Goel (upto June 15, 2016)
Chief Financial Officer	Rajeev Kachhal (from June 27, 2016 to upto January 9, 2017)
Chief Financial Officer	Suresh Akella (from May 29, 2017)
Company Secretary	Mayank Jain (From February 26, 2016)

2) **Other Related Parties with whom transactions have taken place during the year:**

Fellow subsidiaries	Xchanging Integrated Services Victoria Pty Limited, Australia ('XISVPL, Australia') Xchanging Integrated Services Australia Pty Limited, Australia ('XISAPL, Australia') Xchanging Builders (India) Private Limited, India ('XBPL, India') Xchanging Systems and Service Inc., USA ('XSSI, USA') Xchanging Global Insurance Solutions Ltd., UK ('XGISL, UK') Xchanging Technology Services India Private Limited, India ('XTSIPL, India') Xchanging UK Limited, UK ('XUKL, UK') Xchanging Asia Pacific Sdn Bhd, Malaysia ('XAPSB, Malaysia') Xchanging Procurement Services Limited, UK ('XPSL, UK') Ferguson Snell & Associates Ltd, UK ('FSAL, UK') (upto March 31, 2017) Xchanging Inc. USA ('XI, USA') Ins-sure Services Ltd, UK ('ISL, UK') SBB Services Inc, USA ('SBB, USA') Xchanging Procurement Services Europe SAS, France ('XPSLF, France') Xchanging Deutschland GmbH & Co. KG, Germany ('XDG, Germany') Xchanging (SEA) Pte Ltd, Singapore ('XSPL, Singapore') DXC Technology India Private Limited, India (previously known as CSC Technologies India Private Limited) ('DXC, India') CSC Deutschland GmbH, Germany ('CSC, Germany') CSC Switzerland GmbH, Switzerland ('CSC, Switzerland') (effective from current financial year)

(All amounts in Rs. Lakhs, unless otherwise stated)

B.

Summary of transactions with related parties is as follows:	Holding companies		Subsidiary companies		Fellow subsidiaries		Total	
	For the year ended March 31, 2018	For the 15 months period ended March 31, 2017	For the year ended March 31, 2018	For the 15 months period ended March 31, 2017	For the year ended March 31, 2018	For the 15 months period ended March 31, 2017	For the year ended March 31, 2018	For the 15 months period ended March 31, 2017
Expenses paid on behalf of the Company:								
XSEL, UK	-	-	12	150	-	-	12	150
XSSPL, Singapore	-	-	-	54	-	-	-	54
XSUI, USA	-	-	3	96	-	-	3	96
XUKL, UK	-	-	-	-	60	9	60	9
XTSIPL, India	-	-	-	-	36	40	36	40
XBPL, India	-	-	-	-	-	29	-	29
XGISL, UK	-	-	-	-	67	158	67	158
XSSI, USA	-	-	-	-	-	5	-	5
DXC, India	-	-	-	-	191	145	191	145
CSC, Germany	-	-	-	-	20	-	20	-
CSC, Switzerland	-	-	-	-	99	-	99	-
FSAL, UK	-	-	-	-	-	10	-	10
Total	**-**	**-**	**15**	**300**	**473**	**396**	**488**	**696**
Expenses paid on behalf of the related party:								
XGISL, UK	-	-	-	-	-	1	-	1
XTSIPL, India	-	-	-	-	31	117	31	117
FSAL, UK	-	-	-	-	-	-	-	
Total	**-**	**-**	**-**	**-**	**31**	**118**	**31**	**118**
Interest income on loans:								
XTSIPL, India	-	-	-	-	108	135	108	135
XBPL, India	-	-	-	-	116	145	116	145
Total	**-**	**-**	**-**	**-**	**224**	**280**	**224**	**280**
Revenue:								
XSUI, USA	-	-	1,555	2,879	-	-	1,555	2,879
XGISL, UK	-	-	-	-	182	1262	182	1,262
XTSIPL, India	-	-	-	-	6	1	6	1
DXC, India	-	-	-	-	618	210	618	210
CSC, Germany	-	-	-	-	37	22	37	22
Total	**-**	**-**	**1,555**	**2,879**	**843**	**1,495**	**2,398**	**4,374**
Other Income:								
XTSIPL, India	-	-	-	-	3	-	3	-
Total	**-**	**-**	**-**	**-**	**3**	**-**	**3**	**-**

(All amounts in Rs. Lakhs, unless otherwise stated)

C.

Summary of balances of related parties is as follows:	Holding companies			Subsidiary companies			Fellow subsidiaries			Total		
	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
Trade Receivables:												
XSUI, USA	-	-	-	149	821	1,387	-	-	-	149	821	1,387
XPSL, UK	-	-	-	-	-	-	-	-	28	-	-	28
XGISL, UK	-	-	-	-	-	-	24	241	577	24	241	577
XTSIPL, India	-	-	-	-	-	-	-	90		-	90	-
DXC, India	-	-	-	-	-	-	285	82	-	285	82	-
CSC, Germany	-	-	-	-	-	-	10	21	-	10	21	-
SBB, USA	-	-	-	-	-	-	-	-	11	-	-	11
Total	**-**	**-**	**-**	**149**	**821**	**1,387**	**319**	**434**	**616**	**468**	**1,255**	**2,003**
Trade Payables:												
XSEL, UK	-	-	-		12	45	-	-	-	-	12	45
XBPL, India	-	-	-	-	-	-	-	-	1	-	-	1
FSAL, UK	-	-	-	-	-	-	-	8	3	-	8	3
XSSPL, Singapore	-	-	-	7	52	4	-	-	-	7	52	4
NIIPL, India	-	-	-	85	85	85	-	-	-	85	85	85
XSUI, USA	-	-	-		48	40	-	-	-	-	48	40
XUKL, UK	-	-	-	-	-	-	27	20	16	27	20	16
XGISL, UK	-	-	-	-	-	-	334	235	163	334	235	163
XTSIPL, India	-	-	-	-	-	-	24	8	44	24	8	44
XSSI, USA	-	-	-	-	-	-	4	4	-	4	4	-
DXC, India	-	-	-	-	-	-	15	42	-	15	42	-
CSC, Germany	-	-	-	-	-	-	21	-	-	21	-	-
Xchanging plc, UK	-	7	9	-	-	-	-	-	-	-	7	9
Total	**-**	**7**	**9**	**92**	**197**	**174**	**425**	**317**	**227**	**517**	**521**	**410**

(All amounts in Rs. Lakhs, unless otherwise stated)

	Holding companies			Subsidiary companies			Fellow subsidiaries			Total		
	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
Expenses Recoverable:												
XSEL, UK	-	-	-	-	1	-	-	-	-	-	1	-
XSSPL, Singapore	-	-	-	-	1	9	-	-	-	-	1	9
XSUI, USA	-	-	-	-	7	73	-	-	-	-	7	73
XGISL, UK	-	-	-	-	-	-	-	14	17	-	14	17
XUKL, UK	-	-	-	-	-	-	-	53	1	-	53	1
XTSIPL, India	-	-	-	-	-	-	-	22	39	-	22	39
XAPSB, Malaysia	-	-	-	-	-	-	1	-	-	1	-	-
XSPL, Singapore	-	-	-	-	-	-	3	3	-	3	3	-
XDG, Germany	-	-	-	-	-	-	-		5	-	-	5
Total	**-**	**-**	**-**	**-**	**9**	**82**	**4**	**92**	**62**	**4**	**101**	**144**
Loans and Advances (including interest accrued):												
XTSIPL, India	-	-		-	-	-	908	924	900	908	924	900
XSUI, USA	-	-		17,283	17,283	17,283	-	-	-	17,283	17,283	17,283
XBPL, India	-	-		-	-	-	977	1,099	1,279	977	1,099	1,279
Total	**-**	**-**	**-**	**17,283**	**17,283**	**17,283**	**1,885**	**2,023**	**2,179**	**19,168**	**19,306**	**19,462**
Security Deposit Given												
XBPL, India	-	-		-	-		-	-	33	-	-	33
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**33**	**-**	**-**	**33**
Provision for doubtful advances:												
XSUI, USA	-	-		(17,283)	(17,283)	(17,283)	-	-	-	(17,283)	(17,283)	(17,283)
Total	**-**	**-**	**-**	**(17,283)**	**(17,283)**	**(17,283)**	**-**	**-**	**-**	**(17,283)**	**(17,283)**	**(17,283)**

(All amounts in Rs. Lakhs, unless otherwise stated)

D. Remuneration paid to the key managerial personnel

Particulars	For the year ended Mar 31, 2018	For the period ended 15 months Mar 31, 2017
Salaries, bonus, etc.	74	76
Total	**74**	**76**

Note:

(i) As gratuity is computed for all the employees in aggregate, the amounts relating to key managerial personnel cannot be individually identified.

36 Leases

(Refer note 2.5)

Operating lease

As lessee:

In case of assets taken on lease:

The Company has operating lease arrangements for its office premises, guest houses and certain equipment. The lease arrangements for premises and guest houses have been entered up to a maximum of six years from the respective dates of inception. Some of these lease arrangements have price escalation clauses. Rent and hire charges for such operating leases recognised in the Statement of Profit and Loss for the period ended March 31, 2018 amounts to Rs. 159 (2017: Rs. 470).

There are no future minimum lease payments under non-cancellable operating lease arrangements.

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
37 CAPITAL AND OTHER COMMITMENTS			
(a) Capital Commitments			
Estimated value of contracts in capital account remaining to be executed (net of advances)	11	8	18

(b) Other Commitments

(i) The Company has export obligations under the Software Technology Parks of India (STPI) scheme. In accordance with such scheme, the Company procures capital goods without payment of duties, for which, agreements and bonds are executed by the Company in favour of the Government. In case the Company does not fulfil the export obligation, it is liable to pay, on demand an amount equal to such duties saved including interest and liquidated damages. As at March 31, 2018, the Company has availed duty benefits amounting to Rs. 84 (2017: Rs. 178, 2016: Rs. 178). The Company expects to meet its commitment to earn requisite revenue in foreign currency as stipulated by the STPI regulations.

(ii) As at March 31, 2018, Xchanging Solutions (USA) Inc, USA, Company's wholly owned subsidiary, has negative net assets amounting to Rs. 19,225 (2017: Rs. 21,221, 2016: Rs. 23,713). While the subsidiary is confident of generating funds from their operations, the Company intends to support the shortfall, if any.

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
38 CONTINGENT LIABILITIES			
(Refer note 2.12)			
(i) Claims against the Company not acknowledged as debts:			
Income tax matters [Note (b)]	758	2,277	2,210
Service tax matters [Note (c)]	2,359	2,359	2,359
	3,117	**4,636**	**4,569**

(ii) (a) During the quarter ended March 31, 2016, one of the customers of the Company has disputed its outstanding balance of INR 960 as on March 31, 2016. Arbitration proceeding for this dispute is ongoing. However as a matter of abundant caution, provision has been made for the amounts due.

(b) The above customer has made a claim on the company for the damages incurred by them to the extent of INR 1821, which has not been accepted by the Company.

Notes:

(a) The above contingent liabilities are possible obligation or present obligation that may (but probably will not) require an outflow of resources.

(b) Represents various income tax demands under appeal. On April 26, 2018 the company has received revised Appeal Effect order for FY 2008-09 pursuant to favourable order of ITAT and Rectification Order for FY 2012-13 due to which the demand for these years has been reduced substantially. The contingent liability number reported above is after considering these orders.

(c) Represents service tax amount on select categories of transactions relating to financial years 2007-08 to 2011-12 set out in a show cause notice issued by the Commissioner of Service Tax, Bangalore, which is responded by the Company. Based on consultation with legal counsel, the Company has filed a formal reply to the show cause notice.

(d) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(e) The Company does not expect any reimbursements in respect of the above contingent liabilities.

39 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Sec 135 of the Companies Act, 2013 applicable in the current year, the Company has spent Rs 21 (2017: Rs 15) on various CSR initiatives, during the year, which are mentioned below:

Sector in which the project is covered	March 31, 2018	March 31, 2017
Rotary Club	-	5
Environmentalist Foundation of India (EFI)	-	10
BHUMI	11	-
The Akshaya Patra Foundation	10	-
Total	**21**	**15**

40 The Company has strategic gross investment amounting to Rs. 11,224 (2017: Rs. 11,224, 2016: Rs. 11,224) in Xchanging Solutions (USA) Inc, USA, its wholly owned subsidiary. Based on assessment of diminution in the value of investments, the Company has made a provision of Rs. 6,045 (2017: Rs. 6,045, 2016: Rs. 6,045) in prior years considering it to be “a decline other than temporary”. The Company has tested the investments for impairment as at year end using cash flow projections based on financial forecast approved by the management covering a five-year period. The Company considers Xchanging Solutions (USA) Inc as a strategic long term investment and based on future growth projections, in the opinion of the management, the remaining value of the investments is not impaired. Further, the Company has granted loans and advances aggregating to Rs. 17,283 (2017: Rs. 17,283, 2016: Rs. 17,283) and the same was provided in prior years considering it to be doubtful of recovery. The company also has receivables (net of payables and provision) from the subsidiary amounting to Rs. 149 (2017: Rs. 780, 2016: Rs. 1,420), based on the evaluation of recoverability, the net receivables is considered good and recoverable.

41 The Company has strategic gross investments amounting to Rs. 2,222 (2017: Rs. 2,222, 2016: Rs. 2,222) in Xchanging Solutions (Europe) Limited, UK, its wholly owned subsidiary. Based on assessment of diminution in the value of investments, the Company has made a provision of Rs. 2,222 (2017: Rs. 2,222, 2016: Rs. 2,222) in prior years considering it to be "a decline other than temporary". The Company has done the assessment of investment as at the year end and as a result of such assessment no change is identified in the assessment done in the previous year. Further, the Company also has payables to the subsidiary amounting to Rs. Nil (2017: Rs 11, 2016: Rs 45).

42 On August 1, 2002, the Company issued 1,500,000, 11% debentures of face value of Rs. 100 each. The debentures were repayable at par at the end of five years from the date of issuance. Based on the orders of the Debt Recovery Tribunal, the Company had issued duplicate debenture certificates for 625,000 debentures in favour of a Bank and these debentures were redeemed in June 2007. Post redemption of these debentures, a civil suit was filed against the Company by Third Party claiming rights over the said 625,000 debentures. On the basis of an interim application filed by the Third Party, the Hon'ble High Court passed an Interim Order restraining the Company from reflecting the redemption of debentures and directing the Company to continue to show it as due and payable. The Hon'ble Madras High Court vide order dated September 28, 2016 dismissed the suit filed by the said Third Party and also set aside the interim order. The Third Party filed a special leave petition before the Supreme Court challenging the said order of the Hon'ble Madras High Court. On March 26, 2018 the Hon'ble Supreme Court dismissed the special leave petition filed by the Third Party.

43 Open offer for acquisition of up to 2,36,49,767 fully paid up equity shares of face value of INR 10 each ("Offer Shares") representing 21.23% of the fully diluted voting share capital of Xchanging Solutions Limited ("Target Company") from the public shareholders of the Target Company ("Public Shareholders") by Xchanging Technology Services India Private Limited ("Acquirer") together with Computer Sciences Corporation India Private Limited ("PAC 1") and DXC Technology Company ("PAC 2") (PAC 1 and PAC 2 are collectively referred to as "PAC") as the persons acting in concert with the Acquirer pursuant to and in compliance with Regulations 3(1), 4, and 5(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("Takeover Regulations") at an offer price of INR 55.22 per Offer Share ("Offer").

This Offer is being made in accordance with Regulations 3(1), 4, and 5(1) of the Takeover Regulations as a result of an indirect acquisition of 78.77% of the voting rights in and control by PAC 2 over the Target Company.

This Offer is a mandatory open offer being made by the Acquirer and PAC to the Public Shareholders pursuant to Regulations 3(1), 4, and 5(1) of the Takeover Regulations. The Offer is being made on account of the Merger Agreement dated May 24, 2016 (which was further amended on November 2, 2016 and December 6, 2016) entered into inter alia between Hewlett Packard Enterprise Company, Computer Sciences Corporation and PAC 2. The transactions contemplated under the Merger Agreement were completed on April 1, 2017.

The Acquirer and PAC had made the Public Announcement on November 17, 2017, Detailed Public Statement ("DPS") published on November 24, 2017 and the draft letter of offer with respect to the Offer ("DLoF") was filed with SEBI on November 30, 2017.

SEBI has issued observation letter bearing reference no. SEBI/HO/CFD/DCR1/OW/P/2018/13149/1 on May 2, 2018 ("SEBI Letter").

The revised schedule of activities relating to the Offer made in the DLoF, is issued in all the newspapers in which the DPS was published in terms of the SEBI Letter.

44 Transfer Pricing

The Company has carried out international and domestic transactions with associated enterprises. The Company appoints independent consultants to conduct a Transfer Pricing Study to determine whether the transactions with associated enterprises undertaken during the period are on an "arms length basis". For the current year, the transfer pricing study shall be completed within the permissible time under the legislation and adjustments, if any, arising from the transfer pricing study shall be accounted for as and when the study is completed.

However, the Management is confident that its international and domestic transactions with associated enterprises are at arm's length so that the aforesaid legislation/transactions will not have any material impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation for the current year.

45 The Board of Directors of the Company in their meeting held on August 11, 2016 have extended the previous financial period of the Company up to a period of 15 months i.e. January 1, 2016 to March 31, 2017. Subsequently, each financial year of the Company shall commence on April 1 and end on March 31 every year. Previous year figures are not comparable as they are for a period of 15 months.

46 Disclosure as per regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Loans and advances in the nature of loans given to fellow subsidiaries in which directors are interested:

Name of the party	Relationship	Amount outstanding as at March 31, 2018	Maximum balance outstanding during the year
Xchanging Technology Services India Private Limited	Common Director	908 (924)	960 (997)
Xchanging Builders (India) Private Limited	Common Director	977 (1,099)	1,116 (1,384)

Note: Figures in bracket relate to previous year

47 FIRST-TIME ADOPTION OF IND AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1, 2017, with a transition date of January 1, 2016. These financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the period ended March 31, 2017 , the Company prepared its financial statements in accordance with the previously applicable Indian GAAP (previous GAAP).

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended March 31, 2018, together with the comparative information as at and for the period ended March 31, 2017. The Company's opening Ind AS Balance Sheet has been prepared as at January 1, 2016, being the date of transition to Ind AS.

In preparing its opening Ind AS balance sheet as at January 1, 2016, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act. An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of January 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

Transition to Ind AS

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity. This note explains the adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at January 1, 2016 and the financial statements as at and for the period ended March 31, 2017.

47.1 Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

47.1.1 Ind AS optional exemptions

47.1.1.1 Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.Accordingly, the Company has elected to measure all of its property, plant and equipment (PPE) and intangible assets at their previous GAAP carrying value.

47.1.1.2 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

47.1.2 Ind AS mandatory exceptions

47.1.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.Ind AS estimates as at January 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

47.1.2.2 Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after January 1, 2016 (the transition date).

47.1.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently, the Company has applied the above assessment based on facts and circumstances that exist at the transition date.

47.2 Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

47.2.1 Effect of Ind As adoption on the balance sheet as at March 31, 2017 and January 1, 2016

There are no reconciliation items between balance sheet prepared under Indian GAAP and those prepared under Ind AS.

47.2.2 Reconciliation of total equity as at March 31, 2017 and January 1, 2016

There are no reconciliation items between total equity prepared under Indian GAAP and those prepared under Ind AS.

(All amounts in Rs. Lakhs, unless otherwise stated)

47.2.3 Effect of Ind As adoption on the statement of profit and loss for the 15 months period ended March 31, 2017

	Note	Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from operations		9,902	-	9,902
Other income		1,074	-	1,074
Total Income		10,976	-	10,976
Expenses				
Employee benefits expense	1	6,501	1	6,502
Finance costs		15	-	15
Depreciation and amortisation expense		280	-	280
Other expenses		4,800	-	4,800
Total expenses		11,596	1	11,597
Loss before tax		(620)	(1)	(621)
Tax expense				
Current tax		306	-	306
Deferred tax		(259)	-	(259)
Total tax expense / (benefit)		47	-	47
Loss after tax		**(667)**	**(1)**	**(668)**
Other comprehensive income				
(i) Items that will not be reclassified to profit or loss				
- Remeasurements of the defined benefit plans	1,2	-	1	1
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
Total other comprehensive income		-	1	1
Total Comprehensive Income/ (expense) for the period		**(667)**	**-**	**(667)**

47.2.4 Reconciliation of total comprehensive income for the period ended March 31, 2017

Particulars	**Note**	**For the 15 months period ended March 31, 2017**
Profit/ (Loss) after tax as reported in previous year as per Indian GAAP		(667)
Actuarial loss on defined benefit plan transferred to other comprehensive income/ (expense)	1	(1)
Profit/ (Loss) after tax as reported as per Ind AS		**(668)**
Other comprehensive expense (net of tax)	2	1
Total Comprehensive Income/ (expense) as per Ind AS		**(667)**

47.2.5 Cash flow statement

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

Notes to the reconciliations

1 **Remeasurements of post-employment benefit obligations**

Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/ asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of the statement of profit and loss.

2 **Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

48 Previous period/ year figures

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Bhavani Balasubramanian
Partner

Place: Bangalore
Date: 24 May, 2018

For and on behalf of the Board of Directors

Ashok Kumar Ramanathan
Independent Director

Place: Bangalore
Date: 24 May, 2018

Shrenik Kumar Champalal
Whole Time Director and
Chief Executive Officer (Interim)
Place: Bangalore
Date: 24 May, 2018

Gidugu Kalpana Tatavarti
Non-Executive Director
Place: Bangalore
Date: 24 May, 2018

Henry D' Souza
Independent Director
Place: Bangalore
Date: 24 May, 2018

Suresh Akella
Chief Financial Officer
Place: Bangalore
Date: 24 May, 2018

Mayank Jain
Company Secretary
Place: Bangalore
Date: 24 May, 2018

TO THE MEMBERS OF XCHANGING SOLUTIONS LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Xchanging Solutions Limited** (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit,consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

(a) We did not audit the financial information of three subsidiaries, whose financial information reflect total assets of Rs. 572 lakhs as at March 31, 2018 and total revenues of Rs. NIL for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and the other financial information of subsidiaries referred in the Other Matter paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2018 taken on record by the Board of Directors of the Parent none of the directors of the Parent company are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Regn. No 117366W/W-100018)

Bhavani Balasubramanian
Partner
(Membership No. 22156)

Bangalore, 24 May, 2018

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **Xchanging Solutions Limited** (hereinafter referred to as " Parent"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Regn. No 117366W/W-100018)

Bhavani Balasubramanian
Partner
(Membership No. 22156)

Bangalore, 24 May, 2018

XCHANGING SOLUTIONS LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(All amounts in Rs. Lakhs, unless otherwise stated)

	Note	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4	45	215	495
Other intangible assets	5	4	15	22
Goodwill on consolidation	6	15,841	15,841	15,841
Financial assets				
Loans	7	1,868	1,868	1,868
Other financial assets	8	75	819	590
Deferred tax assets (net)	9	906	1,025	703
Other non-current assets	10	1,517	1,733	1,985
Total non-current assets		**20,256**	**21,516**	**21,504**
Current assets				
Financial assets				
Investments	11	12,151	10,099	-
Trade receivables	12	3,130	4,645	4,582
Cash and cash equivalents	13	7,352	5,223	10,814
Bank balances other than above	14	124	12	-
Other financial assets	8	3,573	3,564	4,232
Other current assets	10	211	115	95
Total current assets		**26,541**	**23,658**	**19,723**
Total assets		**46,797**	**45,174**	**41,227**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	11,140	11,140	11,140
Other equity	16	27,218	23,851	22,157
Total equity		**38,358**	**34,991**	**33,297**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	3	46	91
Provisions	18	340	317	617
Other non-current liabilities	19	1	77	35
Total non-current liabilities		**344**	**440**	**743**

(All amounts in Rs. Lakhs, unless otherwise stated)

	Note	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
Current liabilities				
Financial liabilities				
Trade payables	20	3,490	5,485	3,280
Other financial liabilities	21	9	38	57
Provisions	18	86	101	234
Current tax liabilities (net)	22	3,681	2,911	2,860
Other current liabilities	23	829	1,208	756
Total current liabilities		**8,095**	**9,743**	**7,187**
Total equity and liabilities		**46,797**	**45,174**	**41,227**

See accompanying notes to the consolidated financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Bhavani Balasubramanian
Partner

Place: Bangalore
Date: 24 May, 2018

Ashok Kumar Ramanathan
Independent Director

Place: Bangalore
Date: 24 May, 2018

Shrenik Kumar Champalal
Whole Time Director and
Chief Executive Officer (Interim)
Place: Bangalore
Date: 24 May, 2018

Gidugu Kalpana Tatavarti
Non-Executive Director
Place: Bangalore
Date: 24 May, 2018

Henry D' Souza
Independent Director
Place: Bangalore
Date: 24 May, 2018

Suresh Akella
Chief Financial Officer
Place: Bangalore
Date: 24 May, 2018

Mayank Jain
Company Secretary
Place: Bangalore
Date: 24 May, 2018

XCHANGING SOLUTIONS LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in Rs. Lakhs, unless otherwise stated)

	Note	For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
Revenue from operations	24	18,590	30,727
Other income	25	1,577	1,390
Total Income		20,167	32,117
Expenses			
Employee benefits expense	26	10,485	19,207
Finance costs	27	4	15
Depreciation and amortisation expense	28	117	305
Other expenses	29	5,500	10,606
Total expenses		16,106	30,133
Profit before tax		4,061	1,984
Tax expense			
Current tax	30	877	415
Current tax- for the earlier years		(27)	-
Net Current tax		850	415
Deferred tax	30	47	(259)
Total tax expense / (benefit)		897	156
Profit for the period		**3,164**	**1,828**
Other comprehensive income/ (expense)			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		45	1
(ii) Income tax relating to items that will not be reclassified to profit or loss		(16)	-
(B) (i) Items that may be reclassified to profit or loss			
- Exchange differences in translating the financial statements of foreign operations		246	(191)
(ii) Income tax relating to items that may be reclassified to profit or loss		(72)	63
Total other comprehensive income/ (expense)		203	(127)
Total Comprehensive Income for the period		**3,367**	**1,701**
Earnings per Equity Share (of Rs.10 each)	32		
Basic- In Rs		2.84	1.64
Diluted- In Rs		2.84	1.64

See accompanying notes to the consolidated financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Bhavani Balasubramanian
Partner

Place: Bangalore
Date: 24 May, 2018

For and on behalf of the Board of Directors

Ashok Kumar Ramanathan
Independent Director
Place: Bangalore
Date: 24 May, 2018

Shrenik Kumar Champalal
Whole Time Director and Chief Executive Officer (Interim)
Place: Bangalore
Date: 24 May, 2018

Gidugu Kalpana Tatavarti
Non-Executive Director
Place: Bangalore
Date: 24 May, 2018

Henry D' Souza
Independent Director
Place: Bangalore
Date: 24 May, 2018

Suresh Akella
Chief Financial Officer
Place: Bangalore
Date: 24 May, 2018

Mayank Jain
Company Secretary
Place: Bangalore
Date: 24 May, 2018

XCHANGING SOLUTIONS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in Rs. Lakhs, unless otherwise stated)

a EQUITY SHARE CAPITAL

Balance at January 1, 2016	**11,140**
Changes in equity share capital during the period	-
Balance at March 31, 2017	**11,140**
Changes in equity share capital during the year	-
Balance at March 31, 2018	**11,140**

b OTHER EQUITY

Particulars	Reserves & Surplus				Items of other comprehensive income	Total other equity
	Capital reserve	Securities premium	Stock compensation adjustment	Retained earnings	Foreign currency translation reserve	
Balance as of January 1, 2016	**361**	**8,417**	**7**	**13,372**	**-**	**22,157**
Profit for the period	-	-	-	1,828	-	1,828
Recognition of share-based payments	-	-	(7)	-	-	(7)
Other comprehensive income for the period, net of income tax	-	-	-	1	(128)	(127)
Balance as of March 31, 2017	**361**	**8,417**	**-**	**15,201**	**(128)**	**23,851**

Particulars	Reserves & Surplus				Items of other comprehensive income	Total other equity
	Capital reserve	Securities premium	Stock compensation adjustment	Retained earnings	Foreign currency translation reserve	
Balance as of April 1, 2017	**361**	**8,417**	**-**	**15,201**	**(128)**	**23,851**
Profit for the year	-	-	-	3,164	-	3,164
Other comprehensive income for the year, net of income tax	-	-	-	29	174	203
Balance as of March 31, 2018	**361**	**8,417**	**-**	**18,394**	**46**	**27,218**

See accompanying notes to the consolidated financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Bhavani Balasubramanian
Partner

Place: Bangalore
Date: 24 May, 2018

For and on behalf of the Board of Directors

Ashok Kumar Ramanathan
Independent Director
Place: Bangalore
Date: 24 May, 2018

Shrenik Kumar Champalal
Whole Time Director and
Chief Executive Officer (Interim)
Place: Bangalore
Date: 24 May, 2018

Gidugu Kalpana Tatavarti
Non-Executive Director
Place: Bangalore
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Henry D' Souza
Independent Director
Place: Bangalore
Date: 24 May, 2018

Suresh Akella
Chief Financial Officer
Place: Bangalore
Date: 24 May, 2018

Mayank Jain
Company Secretary
Place: Bangalore
Date: 24 May, 2018

XCHANGING SOLUTIONS LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	4,061	1,984
Adjustments for:		
Depreciation and amortisation expense	117	305
Profit on sale of property, plant and equipment	(2)	(18)
Foreign exchange loss - unrealised	(26)	110
Interest income	(240)	(600)
Dividend income	(488)	(239)
Provision for mark to market losses on derivatives	-	(1)
Provision for doubtful advances	239	(112)
Provision for doubtful debts	112	915
Liabilities no longer required written back	(53)	(362)
Other provisions no longer required written back	(733)	-
Bad debts written off	-	35
Interest expense	4	15
Other non cash adjustments	28	1
Operating profit before working capital changes	3,019	2,033
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	1,448	(1,146)
Other current assets	(44)	(40)
Loans & other financial assets and other assets	638	637
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(2,023)	2,178
Other financial liabilities and other liabilities	297	921
Provisions	7	(460)
Cash generated from operations	3,342	4,123
Taxes paid (net of refunds)	(85)	(360)
Net cash generated from operating activities (A)	**3,257**	**3,763**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(12)	(110)
Proceeds from sale of property, plant and equipment	76	112
Dividend income	488	239
Long term deposits with banks with maturity period more than 3 months but less than 12 months	(112)	(12)
Long term deposits with banks with maturity period more than 12 months	91	(86)
Interest received	372	830
Net cash (used in) / generated from investing activities (B)	**903**	**973**

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	-	44
Repayment from long-term borrowings	(70)	(107)
Interest paid	(4)	(15)
Net cash used in financing activities (C)	**(74)**	**(78)**
Net (decrease) / increase in cash and cash equivalents (A + B + C)	**4,086**	**4,658**
Cash and cash equivalents at the beginning of the year/ period	15,322	10,814
Effect of exchange differences on balances with banks in foreign currency	95	(150)
Cash and cash equivalents at the end of the year/ period	**19,503**	**15,322**
Cash on hand	-	-
Balances with banks:		
In current accounts	7,221	5,092
Demand deposits (less than 3 months maturity)	119	132
Effect of exchange differences on balances with banks in foreign currency	12	(1)
Net cash and cash equivalents included in note 13	7,352	5,223
Current investments considered as cash equivalents	12,151	10,099
Cash and cash equivalents	**19,503**	**15,322**

Notes:

(1) Figures in brackets indicate cash outflow.

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Bhavani Balasubramanian
Partner

Place: Bangalore
Date: 24 May, 2018

Ashok Kumar Ramanathan
Independent Director

Place: Bangalore
Date: 24 May, 2018

Shrenik Kumar Champalal
Whole Time Director and
Chief Executive Officer (Interim)
Place: Bangalore
Date: 24 May, 2018

Gidugu Kalpana Tatavarti
Non-Executive Director
Place: Bangalore
Date: 24 May, 2018

Henry D' Souza
Independent Director
Place: Bangalore
Date: 24 May, 2018

Suresh Akella
Chief Financial Officer
Place: Bangalore
Date: 24 May, 2018

Mayank Jain
Company Secretary
Place: Bangalore
Date: 24 May, 2018

XCHANGING SOLUTIONS LIMITED

Notes forming part of the consolidated financial statements

(All amounts in Rs. Lakhs, unless otherwise stated)

1. **General Information**

Xchanging Solutions Limited ('the Company'), incorporated on February 1, 2002, is an information technology (IT) services provider with operations in India and an international presence established through subsidiaries in USA, Singapore and the UK.

Pursuant to agreements, arrangements, amalgamations, etc. (with requisite approvals from various High Courts in India, wherever applicable), the Company has, during earlier years, acquired the IT services businesses (including assets and liabilities) of / from the following entities:

- SSI Limited (Information Technology division with operations in India, USA and several other countries).
- Scandent Group Limited, Mauritius (with operations in USA, Singapore, Germany, etc.).
- Matrix One India Limited (with operations in India).

Pursuant to share purchase agreements between Xchanging (Mauritius) Limited (XML), a wholly owned subsidiary of Xchanging Ltd (Formerly known as "Xchanging Plc") incorporated in UK, and the erstwhile principal shareholders of the Company, and consequent open offer to public, XML acquired 75.00% of the outstanding share capital of the Company. Though the open offer process was completed on April 9, 2009, XML obtained the power of operational control of the Company effective January 1, 2009. On June 18, 2015 , XML has sold 22.93% of its holding in the Company to its fellow subsidiary Xchanging Technology Services India Private Limited, India ('XTSIPL') and as a result XML holding in the Company has reduced to 52.07%.

Shareholding pattern as at the year-end is given below:

Name of the shareholder	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
Xchanging (Mauritius) Limited	52.07%	52.07%	52.07%
Xchanging Technology Services India Private Limited, India	22.93%	22.93%	22.93%
DXC Technology India Private Limited (previously known as CSC Technologies India Private Limited) *	3.77%	3.77%	-
Scandent Holding Mauritius Limited **	10.21%	10.49%	11.82%
AMPS Nominee Limited	-	-	3.77%
Katra Finance Limited	2.70%	2.70%	2.70%
Others	8.32%	8.04%	6.71%
	100.00%	**100.00%**	**100.00%**

* DXC Technology India Private Limited (Promoters group) acquired 3.77% of shares on January 6, 2017 through mandatory open offer.

** Edelweiss Securities Limited holds shares as Registered Owner from December 29, 2016 onwards as collateral on behalf of Scandent Holding Mauritius Limited.

2. **Significant Accounting Policies**

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2017, the Group prepared its consolidated financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS consolidated financial statements. The date of transition to Ind AS is January 1, 2016. Refer note 46 for the details of first-time adoption exemptions availed by the Group.

2.2 *Basis of preparation and presentation*

These consolidated financial statements relate to Xchanging Solutions Limited ('the Company') and its subsidiaries (together 'the Group') and have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-bases payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

2.3 *Basis of consolidation*

2.3.1 <u>Subsidiaries</u>

(A) Subsidiaries are all entities (including structured entities) over which the Company has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The consolidated financial statements of the Group have been prepared based on a line-by-line consolidation of the balance sheet, statement of profit and loss and cash flow statement of the Company and its subsidiaries as at and for the year ended March 31, 2018. All inter-company transactions and balances between the entities included in the consolidated financial statements have been eliminated.

The excess of cost to the Company of its investments in subsidiaries, over its proportionate share in equity of the subsidiaries at the date of acquisition is recognised in the consolidated financial statements as Goodwill and disclosed under Intangible Assets. In case the cost of investment in subsidiaries is less than the proportionate share in equity of the subsidiaries at the date of acquisition, the difference is treated as Capital Reserve and disclosed under Reserves and Surplus or netted off against Goodwill, as may be the case.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

(B) Subsidiaries considered in the consolidated financial statements are given below:

Name of the subsidiary	Country of incorporation	Ownership interest		
Direct subsidiaries:		**2018**	**2017**	**2015**
Xchanging Solutions (Singapore) Pte Limited	Singapore	100%	100%	100%
Xchanging Solutions (Europe) Limited	United Kingdom	100%	100%	100%
Xchanging Solutions (USA) Inc	USA	100%	100%	100%
Step-down subsidiaries:				
Nexplicit Infotech India Private Limited	India	100%	100%	100%
Xchanging Solutions (Malaysia) Sdn Bhd	Malaysia	100%	100%	100%

2.4 *Goodwill arising on consolidation*

Goodwill arising on consolidation is carried at the value determined at the date of acquisition of the subsidiary. Goodwill arising on consolidation is not amortised, but is tested for impairment at every balance sheet date.

2.5 *Revenue recognition*

Revenue is recognised net of Goods and Services Tax (GST) to the extent that it is probable that economic benefit will flow to the Group and that revenue can be reliably measured.

(i) Revenue from time and material contracts are recognised as related services are rendered.

(ii) Revenue from fixed price contracts for delivering services is recognised under the percentage of completion method wherein revenue is recognised based on services performed to date as a percentage of total services to be performed.

(iii) Revenue from maintenance contracts are recognised rateably over the term of the maintenance contract on a straight-line basis.

(iv) Revenue from certain services are recognised as the services are rendered, on the basis of an agreed amount in accordance with the agreement entered into by the Group.

(v) Revenue from sale of user licenses for software application is recognised on transfer of the title in the user license.

(vi) Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.

(vii) Deferred and unearned revenues represent the estimated unearned portion of fees derived from certain fixed-rate service agreements. Unearned revenues for fixed fee contracts are recognised on a pro-rata basis over the term of the underlying service contracts, which are generally one year.

(viii) Unbilled revenue represents costs and earnings in excess of billings as at the balance sheet date.

2.6 *Other Income*

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.7 *Leases*

As a lessee:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.8 Foreign currencies

(i) Functional and presentation currency

The functional currency of Xchanging Solutions Limited and Nexplicit Infotech India Private Limited is the Indian rupee. The functional currencies of Xchanging Solutions (Singapore) Pte Limited, Xchanging Solutions (Europe) Limited, Xchanging Solutions (USA) Inc and Xchanging Solutions (Malaysia) Sdn Bhd are the respective local currencies. These financial statements are presented in Indian rupee.

(ii) Initial recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(iii) Subsequent recognition:

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

All monetary assets and liabilities in foreign currency are restated at the end of accounting period other than those monetary assets which are provided for being doubtful of recovery.

Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

(iv) Forward exchange contracts not intended for trading or speculation purposes:

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

(v) Translation of foreign operations:

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expense in the same period in which the gain or loss on disposal is recognised.

(vi) Forward exchange contracts outstanding as at the period end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

2.9 Employee benefits

2.9.1 <u>Retirement benefit costs and termination benefits</u>

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest. is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.9.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits. are measured at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

2.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.10.1 Current tax

Income tax expense or credit for the period is the tax payable on the current period's taxable income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

2.10.2 Deferred tax

Deferred income tax assets and liabilities are recognized for all temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred taxes and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.10.3 Current tax and deferred tax for the year

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.11 Property, plant and equipment and depreciation

(i) Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses. Cost comprises the purchase price and any directly attributable costs of bringing the assets to their working condition for their intended use.

(ii) Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, plant & equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc:

Category of assets	Estimated useful life
Computers	2 to 4
Vehicles	2 to 6
Office equipment	3 to 5
Furniture and fixtures	5 to10

(iii) Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

(iv) Leasehold improvements are amortised over the period of lease or five years, whichever is lower.

(v) Assets individually costing up to Rupees five thousand are fully depreciated in the year of purchase.

(vi) Capital work-in-progress: Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as of January 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost of the property, plant and equipment as of the transition date.

2.12 Intangible Assets and Amortisation

Intangible assets with finite useful lives are stated at cost of acquisition less accumulated amortisation and impairment losses.

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. Intangible assets comprise of Goodwill and computer software.

(i) Goodwill arising on acquisition is the difference between the cost of an acquired business and the aggregate of the fair value of that entity's identifiable assets and liabilities and the same is amortised on a straight-line basis over its economic life or the period defined in the Court scheme.

(ii) Computer software is amortised over an estimated useful life of one to six years.

(iii) The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognized as of January 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost of the Intangible assets as of the transition date.

2.13 Impairment of tangible and intangible assets other than goodwill

The carrying values of tangible and intangible assets at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.14 Provisions and contingent liabilities

Provisions: A provision is recognised when the Group has a present obligation as a result of past events and 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 (excluding retirement benefits) are not discounted to their 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.

Provisions for onerous contracts (i.e., contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it) are recognised when it is probable that cash outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Contingent liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

2.15 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.16 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value depending on the classification of the Financial assets.

2.16.1 <u>Classification of financial assets</u>

Financial assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer Note 2.16.3

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for financial assets that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI financial assets. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for financial assets through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on financial assets at FVTOCI, refer Note 2.16.3

All other financial assets are subsequently measured at fair value.

2.16.2 <u>Financial assets at fair value through profit or loss (FVTPL)</u>

Financial assets that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, financial assets that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.16.3 Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the Financial assets that are initially measured at fair value with subsequent measurement at amortised cost e.g Trade receivables, unbilled revenue etc.

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR).

Allowance for Trade receivables

The Group follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). For the purpose of measuring lifetime ECL allowance for trade receivables, the Group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

2.16.4 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

2.16.5 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

2.17 Financial liabilities

Classification as debt

Debt are classified as financial liabilities in accordance with the substance of the contractual arrangements and the definitions of a financial liability

Financial liabilities

2.17.1 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL, are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

2.17.2 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

2.17.3 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired, An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.18 Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks through foreign exchange forward contracts. Further details of derivative financial instruments are disclosed in note 34.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

2.19 Use of estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.20 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.21 *Cash flow statement*

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.22 *Investments*

Non-current investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.23 *Segment Reporting*

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance based on an analysis of various performance indicators by business segments and geographic segments.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, is included as "Unallocated". Segment assets includes all the assets except for deferred tax assets which are treated as unallocable.

The dominant source of risk and returns of the enterprise is considered to be the business in which it operates, viz. - Information Technology (IT) Services. The sub businesses are fully aligned to IT Services business of the Group and the same are being viewed by the management as a single business segment. Being a single business segment Group, no primary segment information is being provided.

2.24 *Earnings per share*

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, 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 or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.25 *Project work expenses*

Project work expenses represents amounts charged by sub-contractors. These expenses are recognised on an accrual basis.

2.26 *GST/ Service tax input credit*

GST/ Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/ utilising the credits.

2.27 *Operating Cycle*

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

2.28 Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Group is in process of evaluating the effect of this on the financial statements and the impact is expected to be insignificant.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Group will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

i) Revenue recognition- The Group uses the percentage of completion method using the input (cost expended or efforts spend) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. As the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

ii) Impairment of goodwill- Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. No impairment for goodwill has been identified during the year.

iii) Income taxes- The Group's two major tax jurisdictions are India and the United States of America, though the Group also files tax returns in other foreign jurisdictions. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Also refer to note 30.

iv) Other estimates- The preparation of consolidated financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of consolidated financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Group estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

v) Fair value measurements and valuation processes- Investment in mutual funds, derivative financial instruments are measured at fair value and the gratuity liability is measured based on actuarial valuation for financial reporting purposes. In estimating the fair value and actuarial valuation, the Group uses market-observable data to the extent it is available. Where such inputs are not available, the Group engages third party qualified valuers to perform the valuation.

(All amounts in Rs. Lakhs, unless otherwise stated)

		As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
4	**PROPERTY, PLANT AND EQUIPMENT**			
	(Refer note 2.11 and 2.13)			
	(Owned unless specified)			
	Carrying amounts of:			
	Leasehold Improvements	-	-	6
	Computers	22	87	227
	Vehicles	4	78	147
	Office Equipment	19	38	90
	Furniture and Fittings	-	12	26
		45	**215**	**495**

The changes in the carrying value for the year ended March 31, 2018

Particulars	Leasehold Improvements	Computers	Vehicles	Office Equipment	Furniture and Fittings	Total
Gross carrying value						
Balance as at January 1, 2016	1,074	1,999	281	344	285	3,983
Additions	-	43	53	2	-	98
Disposals	(342)	(512)	(153)	(59)	(24)	(1,090)
Translation	(2)	(2)	-	-	-	(4)
Balance as at March 31, 2017	**730**	**1,528**	**181**	**287**	**261**	**2,987**
Additions	-	2	-	6	-	8
Disposals	(765)	(337)	(146)	(123)	(253)	(1,624)
Translation	35	27	-	3	2	67
Balance as at March 31, 2018	**-**	**1,220**	**35**	**173**	**10**	**1,438**
Accumulated depreciation						
Balance as at January 1, 2016	1,068	1,772	135	254	259	3,488
Depreciation expense	3	169	76	26	11	285
Eliminated on disposals of assets	(339)	(498)	(108)	(31)	(21)	(997)
Translation	(2)	(2)	-	-	-	(4)
Balance as at March 31, 2017	**730**	**1,441**	**103**	**249**	**249**	**2,772**
Depreciation expense	-	67	18	16	3	104
Eliminated on disposals of assets	(765)	(337)	(90)	(114)	(244)	(1,550)
Translation	35	27	-	3	2	67
Balance as at March 31, 2018	**-**	**1,198**	**31**	**154**	**10**	**1,393**
Net carrying value as at March 31, 2018	**-**	**22**	**4**	**19**	**-**	**45**
Net carrying value as at March 31, 2017	**-**	**87**	**78**	**38**	**12**	**215**
Net carrying value as at January 1, 2016	**6**	**227**	**147**	**90**	**26**	**495**

(All amounts in Rs. Lakhs, unless otherwise stated)

		As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
5	**OTHER INTANGIBLE ASSETS**			
	(Refer note 2.12 and 2.13)			
	Carrying amounts of:			
	Computer software	4	15	22
		4	**15**	**22**

Particulars	Goodwill acquired	Computer software	Total
Gross carrying value			
Balance as at January 1, 2016	830	37	867
Additions	-	13	13
Disposals	-	-	-
Translation	(32)	-	(32)
Balance as at March 31, 2017	**798**	**50**	**848**
Additions		2	2
Disposals	(810)	-	(810)
Translation	12	4	16
Balance as at March 31, 2018	**-**	**56**	**56**
Accumulated amortisation			
Balance as at January 1, 2016	830	15	845
Amortisation expense	-	20	20
Disposals	-	-	-
Translation	(32)	-	(32)
Balance as at March 31, 2017	**798**	**35**	**833**
Amortisation expense		13	13
Disposals	(810)	-	(810)
Translation	12	4	16
Balance as at March 31, 2018	**-**	**52**	**52**
Net carrying value as at March 31, 2018	**-**	**4**	**4**
Net carrying value as at March 31, 2017	**-**	**15**	**15**
Net carrying value as at January 1, 2016	**-**	**22**	**22**

		As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
6	**GOODWILL ON CONSOLIDATION**			
	(Refer note 2.4, 2.12 and 3.1.(ii))			
	Carrying amounts of:			
	Cost or deemed cost	15,841	15,841	15,841
	Accumulated impairment losses	-	-	-
		15,841	**15,841**	**15,841**

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at Mar 31, 2018	As at Mar 31, 2017
Balance at the beginning of year/ period	15,841	15,841
Additions	-	-
Derecognised	-	-
Balance at the end of year/ period	**15,841**	**15,841**
Accumulated depreciation as at April 1, 2017	-	-
Impairment losses recognised in the year	-	-
Balance at the end of year/ period	**-**	**-**
Net block at the end of the year/ period	**15,841**	**15,841**

6.1 Allocation of goodwill to cash-generating units

The entire goodwill is allocated to Information Technology services (CGU).

The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial forecast approved by the management covering a five-year period, and a discount rate of 13% p.a. (2017: 13% p.a., 2015: 13% p.a.).

Cash flow projections during the forecast period are based on the expected gross margins. The cash flows beyond that five-year period have been extrapolated using a terminal growth rate of 1% p.a. (2017: 1% p.a., 2015: 0% p.a.). The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

As of March 31, 2018, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered. The key assumptions used for the calculations are as follows:

(1) EBIT margin: Average gross margins achieved in the prior periods before the forecast period.

(2) Discount rate: Discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. These estimates are likely to differ from future actual results of operations and cash flows.

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
7 LOANS			
(Refer note 2.16 and 2.19)			
Unsecured, considered good unless otherwise stated			
Loans to fellow subsidiaries [Refer note 35]	1,868	1,868	1,868
	1,868	**1,868**	**1,868**

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
8 OTHER FINANCIAL ASSETS			
(Refer note 2.5, 2.16 and 2.19)			
Unsecured considered good unless otherwise stated			
Non-current			
Security deposits			
- Considered good	38	683	478
- Considered doubtful	-	4	8
(Less): Provision for doubtful security deposits	-	(4)	(8)
Long term deposits with banks with maturity period more than 12 months	34	125	39
[Held as lien by bank Rs 16 (2017: Rs 110, 2016: Rs 30)]			
Interest accrued on loans to fellow subsidiaries	-	-	71
Interest accrued on bank deposits	3	11	2
	75	**819**	**590**
Current			
Expenses recoverable from fellow subsidiaries [Refer note 35]:	4	218	244
Security deposits	636	69	123
Unbilled revenue	2,783	2,951	3,444
Interest accrued on loans to fellow subsidiaries [Refer note 35]	17	155	240
Interest accrued on bank deposits	17	3	86
Other Loans and advances (includes advances to employees and other receivables)	116	168	95
	3,573	**3,564**	**4,232**

9 DEFERRED TAX ASSETS (NET)

(Refer note 2.10 and 3.1.(iii))

Details of deferred tax assets and liabilities as at March 31, 2018 comprise of the following:

Particulars	As at Apr 1, 2017	(Credit)/ Charged to Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at Mar 31, 2018
Deferred Tax Assets				
Depreciation	269	60	-	209
Provision for gratuity	131	27	-	104
Provision for compensated absences	13	(7)	-	20
Provision for other employee benefits	27	(37)	-	64
Provision for doubtful debts	359	31	-	328
Provision for doubtful advances	99	(55)	-	154
Exchange differences in translating the financial statements of foreign operations	63	-	-	63
Others	64	28	-	36
Total (A)	**1,025**	**47**	**-**	**978**
Deferred Tax Liabilities				
Exchange differences in translating the financial statements of foreign operations	-	-	72	(72)
Total (B)	**-**	**-**	**72**	**(72)**
Deferred Tax Assets (Net) (A)-(B)	**1,025**	**47**	**72**	**906**

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2017

Particulars	As at Jan 1, 2016	(Credit)/ Charged to Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at Mar 31, 2017
Deferred Tax Assets				
Depreciation	295	26	-	269
Provision for gratuity	138	7	-	131
Provision for compensated absences	18	5	-	13
Provision for other employee benefits	58	31	-	27
Provision for doubtful debts	44	(315)	-	359
Provision for doubtful advances	134	35	-	99
Exchange differences in translating the financial statements of foreign operations	-	-	(63)	63
Others	16	(48)	-	64
Total (A)	**703**	**(259)**	**(63)**	**1,025**
Deferred Tax Liabilities (B)	**-**	-	-	-
Deferred Tax Assets (Net) (A)-(B)	**703**	**(259)**	**(63)**	**1,025**

9.1 Unrecognised taxable temporary differences associated with investments and interests

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
Taxable temporary differences in relation to investments in subsidiaries for which deferred tax liabilities have not been recognised are attributable to the following:			
- foreign subsidiaries	3,250	2,803	2,393
Total	**3,250**	**2,803**	**2,393**

10 OTHER ASSETS

(Refer note 2.26 and 34)

Unsecured considered good unless otherwise stated

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
Non-current			
Capital advances	-	-	2
Prepaid Expenses	19	25	1
Advances recoverable in kind	1,385	1,300	1,300
Balances with Government Authorities (Service tax & GST)			
- Considered good	113	408	682
- Considered doubtful	526	287	389
(Less): Provision for doubtful advances	(526)	(287)	(389)
	1,517	**1,733**	**1,985**
Current			
Balances with Government Authorities (Service tax)			
- Considered good	167	32	17
- Considered doubtful	-	-	10
(Less): Provision for doubtful advances	-	-	(10)
Prepaid Expenses	44	83	78
	211	**115**	**95**

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
11 CURRENT INVESTMENTS			
(Unquoted)			
(Refer note 2.22 and 3.1.(v))			
Investment in mutual funds [Refer note (i) below]	12,151	10,099	-
	12,151	**10,099**	**-**

(i) Current investments include investments in the nature of "Cash and cash equivalents" amounting to Rs 12,151 (2017: Rs 10,099, 2016: Rs Nil) considered as part of Cash and cash equivalents in the Cash Flow Statement.

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
Aggregate carrying value of unquoted investments	12,151	10,099	-
Category-wise investments as per Ind AS 109 classification			
Financial assets carried at fair value through profit or loss (FVTPL)	12,151	10,099	-
12 TRADE RECEIVABLES			
(Refer note 2.16, 3.1.(iv) and 34)			
(Unsecured)			
Considered good	3,130	4,645	4,582
Considered doubtful	1,192	1,080	165
Less: Provision for doubtful trade receivables	(1,192)	(1,080)	(165)
	3,130	**4,645**	**4,582**

Note:

The credit period ranges from 0 to 60 days. No interest is charged on trade receivables up to the due date. Cumulative balance of customers with more than 5% of total trade receivables amounts to Rs 2,479 (2017: Rs 2,214, 2016: Rs 1,985)

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
13 CASH AND CASH EQUIVALENTS			
(Refer note 2.20)			
Balances with banks			
In current accounts	7,233	5,091	3,759
In demand deposit accounts (less than 3 months maturity)	119	132	7,055
Cash on hand	-	-	-
Cash and cash equivalent as per consolidated statement of cash flow	**7,352**	**5,223**	**10,814**

Fixed Deposits with Banks include:

Rs. Nil (2017: Rs. 105, 2016: Rs. 105) which are under lien for issue of bank guarantees

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
14 OTHER BANK BALANCES			
Long Term Deposit with maturity more than 3 months but less than 12 months	124	12	-
	124	**12**	**-**

Fixed Deposits with Banks include:
Rs. 109 (2017: Rs. 3, 2016: Rs. Nil) which are under lien for issue of bank guarantees

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
15 EQUITY SHARE CAPITAL			
Authorised capital:			
125,000,000 (2017: 125,000,000, 2016: 125,000,000) Equity shares of Rs.10 each	12,500	12,500	12,500
Issued, subscribed and paid up capital:			
111,403,716 (2017: 111,403,716, 2016: 111,403,716) Equity shares of Rs.10 each fully paid up	11,140	11,140	11,140
	11,140	**11,140**	**11,140**

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year are as given below:

Equity Shares	As at March 31, 2018		As at March 31, 2017		As at January 1, 2016	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year / period	111,403,716	11,140	111,403,716	11,140	111,403,716	11,140
Add / (Less): Movement during the year / period	-	-	-	-	-	-
Shares outstanding at the end of the year / period	**111,403,716**	**11,140**	**111,403,716**	**11,140**	**111,403,716**	**11,140**

b) Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of shares held by the holding company and its subsidiaries:

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
Name of Shareholder	**Number of Shares**	**Number of Shares**	**Number of Shares**
Xchanging (Mauritius) Limited, the holding company	58,002,787	58,002,787	58,002,787
Xchanging Technology Services India Private Limited, subsidiary of Holding Company*	25,550,000	25,550,000	25,550,000
	83,552,787	**83,552,787**	**83,552,787**

* Xchanging Technology Services India Private Limited had become the subsidiary of Xchanging (Mauritius) Limited on March 31, 2017.

(All amounts in Rs. Lakhs, unless otherwise stated)

d) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at March 31, 2018		As at March 31, 2017		As at January 1, 2016	
	Number of Shares held	Percentage	Number of Shares held	Percentage	Number of Shares held	Percentage
Xchanging (Mauritius) Limited	58,002,787	52.07	58,002,787	52.07	58,002,787	52.07
Xchanging Technology Services India Private Limited	25,550,000	22.93	25,550,000	22.93	25,550,000	22.93
Scandent Holding Mauritius Limited	11,370,849	10.21	11,691,008	10.49	13,167,551	11.82

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
16 OTHER EQUITY			
Capital reserve	361	361	361
Securities premium	8,417	8,417	8,417
Stock compensation adjustment	-	-	7
Foreign currency translation reserve	46	(128)	-
Retained earnings	18,394	15,201	13,372
	27,218	**23,851**	**22,157**

	As at Mar 31, 2018	As at Mar 31, 2017
16.1 Capital reserve		
Balance at the beginning of the year/ period	361	361
Add / (Less): Movement during the year/ period	-	-
Balance at the end of the year/ period	361	361

Capital reserve represents waiver of liability by Scandent Holding Mauritius Limited, erstwhile ultimate holding company.

16.2 Securities premium		
Balance at the beginning of the year/ period	8,417	8,417
Add / (Less): Movement during the year/ period	-	-
Balance at the end of the year/ period	8,417	8,417

Amounts received (on issue of shares) in excess of the par value has been classified as securities premium.

16.3 Stock compensation adjustment		
Balance at the beginning of the year/ period	-	7
Recognition of share-based payments	-	(7)
Balance at the end of the year/ period	-	-

The above reserve relates to share options granted by the Company to its employees under its employee share option plan.

(All amounts in Rs. Lakhs, unless otherwise stated)

		As at Mar 31, 2018	As at Mar 31, 2017
16.4	**Foreign currency translation reserve**		
	Balance at the beginning of the year/ period	(128)	-
	Add / (Less): Exchange difference arising on translating the foreign operations net of income tax	174	(128)
	Balance at the end of the year/ period	**46**	**(128)**

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Rs.) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

		As at Mar 31, 2018	As at Mar 31, 2017
16.5	**Retained earnings**		
	Balance at the beginning of the year/ period	15,201	13,372
	Profit for the year/ period	3,164	1,828
	Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	29	1
	Balance at the end of the year/ period	18,394	15,201

Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.

		As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
17	**NON-CURRENT BORROWINGS**			
	(Refer note 2.17)			
	Secured- at amortised cost			
	From Bank:			
	Loan for purchase of vehicles [Refer note 21]	3	46	91
		3	**46**	**91**

Nature of security and terms of repayment for secured borrowings are as follows:

a) **Nature of security:** Vehicles purchased on loan for employees

b) **Terms of Repayment:** Monthly payment of equated monthly instalments for a period of 3-6 years (2017: 3-6 years, 2016: 2-6 years)

c) **Interest rate:** 9.5% to 10.5% per annum (2017: 9.5% to 10.5% per annum, 2016: 9.5% to 13.5% per annum)

(All amounts in Rs. Lakhs, unless otherwise stated)

		As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
18	**PROVISIONS**			
	(Refer note 2.9)			
	Non-current			
	Provision for employee benefits :			
	Provision for compensated absences	55	-	275
	Provision for gratuity [Refer note 33]	285	317	308
	Provision for long service award	-	-	34
		340	**317**	**617**
	Current			
	Provision for employee benefits :			
	Provision for compensated absences	14	40	135
	Provision for gratuity [Refer note 33]	72	61	91
	Provision for long service award	-	-	8
		86	**101**	**234**
19	**OTHER NON-CURRENT LIABILITIES**			
	Rent equalisation	-	60	35
	Asset retirement obligation	1	17	-
		1	**77**	**35**
20	**TRADE PAYABLES**			
	(Refer note 2.17)			
	Due to Related parties [Refer note 35]	1,407	958	678
	Others:			
	Goods & services	1,781	2,694	1,956
	Employee related payables	302	1,833	646
		3,490	**5,485**	**3,280**

Notes:

(i) There are no dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as of March 31, 2018, March 21, 2017 and January 1, 2016, outstanding for more than 45 days on the basis of such parties having been identified by management and relied upon by the auditors.

(ii) The credit period ranges from 0 to 90 days. No interest is charged on trade payables up to the due date. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

		As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
21	**OTHER FINANCIAL LIABILITIES**			
	(Refer note 2.8, 2.17 and 2.18)			
	Current maturities of long-term borrowings [Refer note 17]	8	35	53
	Payable on purchase of fixed assets	1	3	3
	Provision for mark to market losses on derivatives [Refer note 34]	-	-	1
		9	**38**	**57**

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
22 CURRENT TAX ASSETS AND LIABILITIES			
(Refer note 2.10 and 3.1.(iii))			
Current tax assets			
Tax refund receivable	3,064	3,068	2,895
	3,064	3,068	2,895
Current tax liabilities			
Income tax payable	6,745	5,979	5,755
	6,745	5,979	5,755
	3,681	**2,911**	**2,860**
23 OTHER CURRENT LIABILITIES			
(Refer note 2.5 and 2.8)			
Income received in advance (Unearned revenue)	241	652	397
Statutory remittances (Contributions to PF, ESIC, Withholding Taxes, GST etc.)	298	417	345
Advances from customers	290	139	14
	829	**1,208**	**756**

	For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
24 REVENUE FROM OPERATIONS		
(Refer note 2.5 and 3.1.(i))		
Software services	18,590	30,727
	18,590	**30,727**
25 OTHER INCOME		
(Refer note 2.6 and 2.8)		
a) Interest Income		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Bank deposits (at amortised cost)	16	320
Interest income on loans to fellow subsidiaries (at amortised cost) [Refer note 35]	224	280
	240	600
b) Dividend income		
Dividends from mutual funds	488	239

All dividends from mutual funds carried at fair value through P&L recognised for both the years relate to investments held at the end of each reporting period.

(All amounts in Rs. Lakhs, unless otherwise stated)

		For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
c)	Other non-operating income (net of expenses directly attributable to such income)		
	Provision for doubtful advances no longer required written back	-	112
	Other provisions no longer required written back	733	-
	Liabilities no longer required written back	53	355
	Others (aggregate of immaterial items)	61	66
		847	533
d)	Other gains and losses		
	Profit on sale of property, plant and equipment (net)	2	18
		2	18
	(a+b+c+d)	**1,577**	**1,390**
26	**EMPLOYEE BENEFITS EXPENSE**		
	(Refer note 2.9 and 33)		
	Salaries and wages including bonus	9,563	17,052
	Contribution to provident and other funds [Refer note 33]	307	607
	Gratuity expenses [Refer note 33]	83	127
	Staff welfare expenses	532	1,421
		10,485	**19,207**
27	**FINANCE COSTS**		
	Interest expenses on borrowings (not classified as at FVTPL)	4	15
		4	**15**
28	**DEPRECIATION AND AMORTISATION EXPENSE**		
	(Refer note 2.11, 2.12 and 2.19)		
	Depreciation of property, plant and equipment [Refer note 4]	104	285
	Amortisation of intangible assets [Refer note 5]	13	20
		117	**305**

(All amounts in Rs. Lakhs, unless otherwise stated)

		For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
29	**OTHER EXPENSES**		
	(Refer note 2.7, 2.8, 2.14, 2.19 and 2.25)		
	Project work expenses	3,274	3,971
	Power and fuel	79	183
	Rent including lease rentals [Refer note 36]	227	805
	Repairs and maintenance:		
	Computer equipments	216	316
	Leasehold improvements	37	58
	Others	135	261
	Insurance	90	216
	Rates and taxes	2	16
	Communication	294	452
	Travelling and conveyance	260	946
	Business promotion	52	162
	Training and development	3	38
	Expenditure towards Corporate Social Responsibility (CSR) activities [Refer note 39]	21	15
	Legal and professional	124	929
	Payments to auditors (Refer Note (i) below)	143	184
	Foreign exchange loss (net)	22	338
	Provision for doubtful debts (net)	112	915
	Provision for doubtful advances	239	-
	Directors' sitting fees	27	34
	Bad debts written off	-	35
	Miscellaneous expenses	143	732
		5,500	**10,606**

Note:

(i) Payments to the auditors comprise (net of taxes, where applicable):

	For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
Statutory audit	84	132
Limited review of quarterly financial results	44	46
Tax audit	11	-
Certifications	-	-
Out-of-pocket expenses	4	6
	143	184

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
30 INCOME TAXES		
(Refer note 2.10 and 3.1.(iii))		
1. Income tax recognised in profit or loss		
Current tax		
In respect of current year	877	415
Deferred tax		
In respect of current year	47	(259)
Total income tax expense /(gain) recognised in the current year	**924**	**156**
2. The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	4,061	1,984
Income tax Expense Calculated at 34.608% (2017: 33.603%)	1,421	667
Effect of notional income recognised for taxation	269	257
Effect of income that is exempt from taxation	(169)	(83)
Effect of inadmissible expenses	10	8
Effect of change in tax rate	(166)	-
Effect of book loss	-	(205)
Effect of carry forward loss adjustment	(667)	(485)
Effect of admissible deductions	(4)	(3)
Others	230	-
Income tax expense recognised in Profit and Loss	**924**	**156**

The income tax rate used for the above reconciliations is current tax 34.608% (2017: 33.063%) and Deferred tax 29.120% (2017: 33.063%), these are the corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law.

	For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
3. Income tax recognised in other comprehensive income:		
Income tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(16)	-
Exchange differences in translating the financial statements of foreign operations		
Total	(16)	-
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation		
Exchange differences in translating the financial statements of foreign operations	(72)	63
Total	(72)	63
Total income tax recognised in other comprehensive income	**(88)**	**63**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(16)	-
Items that may be reclassified to profit or loss	(72)	63

(All amounts in Rs. Lakhs, unless otherwise stated)

31 SEGMENT INFORMATION

(Refer note 2.23)

The entire operation of the Company relate only to one segment "Software Services" and hence there are no primary segment to be reported.

The secondary segment information as per Ind AS 108 "Operating Segments" in relation to the geographies is as follows:

	Revenue by location of customers	
	Mar 31, 2018	**Mar 31, 2017**
Europe	2,182	5,133
USA	9,911	16,534
India	1,286	1,177
Rest of the World	5,211	7,883
	18,590	**30,727**

Balance of customers with more than 10% of total revenue amounts to Rs 9,438 (2017: Rs. 12,044)

	Carrying amount of segment assets by location of the assets			Addition to Fixed Assets		
	Mar 31, 2018	**Mar 31, 2017**	**Jan 1, 2016**	**Mar 31, 2018**	**Mar 31, 2017**	**Jan 1, 2016**
Europe	1,030	949	2,148	-	-	-
USA	7,823	8,288	5,025	-	-	-
India	16,258	14,479	13,914	8	100	186
Rest of the World	20,780	20,433	19,437	2	11	24
	45,891	**44,149**	**40,524**	**10**	**111**	**210**

	For the year ended	For the 15 months period ended
	Mar 31, 2018	**Mar 31, 2017**
32 EARNINGS PER SHARE		
(Refer note 2.24)		
Basic earnings per share		
Profit for the year after tax	3,164	1,828
Nominal value per share (Rs.)	10	10
Weighted average number of equity shares considered for calculating basic earnings per share – (A)	111,403,716	111,403,716
Earnings per share – Basic (Rs.)	**2.84**	**1.64**
Diluted earnings per share		
Weighted average number of equity shares considered for calculating diluted earnings per share – (B)	111,403,716	111,403,716
Earnings per share – Diluted (Rs.)	**2.84**	**1.64**

(All amounts in Rs. Lakhs, unless otherwise stated)

33 EMPLOYEE BENEFITS EXPENSE

(Refer note 2.9)

(a) Defined Contribution Plans

Provident Fund and Other Funds: During the year, the Group has recognised Rs. 307 (2017: Rs. 607) in the Statement of Profit and Loss relating to provident fund and other funds, which is included in the 'Contribution to provident and other funds'.

(b) Defined Benefit Plan

Gratuity (unfunded): The Group provides for gratuity, a defined benefit plan (the "gratuity plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's last drawn salary and years of employment with the Group.

The Group is exposed to various risks in providing the above gratuity benefit such as: interest rate risk, longetivity risk and salary risk.

Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following tables summarise the components of expense recognised in the Statement of Profit and Loss and amounts recognised in the Balance Sheet for the gratuity plan:

	As at Mar 31, 2018	As at Mar 31, 2017
(i) Movement in Present Value of the Defined benefit obligation		
Balance at the beginning of the year	378	399
Current Service Cost	59	89
Interest Cost	24	38
Actuarial (Gains) / Losses- Demographic	-	7
Actuarial (Gains) / Losses- Financial	(16)	24
Actuarial (Gains) / Losses- Experience	(29)	(32)
Benefits paid	(59)	(147)
Present Value of Defined benefit obligation at the end of the year	**357**	**378**

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
(ii) Assets and Liabilities recognised in the Balance Sheet			
Present Value of Defined Benefit Obligation	357	378	399
(Less): Fair Value of Plan Assets	-	-	-
Amounts recognised as liability	**357**	**378**	**399**
Recognised under:			
Long-term provisions (Refer note 18)	285	317	308
Short-term provisions (Refer note 18)	72	61	91
	357	**378**	**399**

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended Mar 31, 2018	For the 15 months period ended Mar 31, 2017
(iii) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.		
Current Service Cost	59	89
Interest Cost	24	38
Components of defined benefit costs recognised in profit or loss	**83**	**127**
Remeasurement on the net defined benefit liability:		
Actuarial (Gain) / Loss due to Demographic Assumption changes	-	7
Actuarial (Gain) / Loss due to Financial Assumption changes	(16)	24
Actuarial (Gain) / Loss due to Experience	(29)	(32)
Components of defined benefit costs recognised in other comprehensive income	**(45)**	**(1)**
Total	**38**	**126**

	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
(iv) Actuarial Assumptions			
Discount Rate	7.20%	6.80% - 7.94%	8.08%
Expected Return on Plan Assets	N/A	N/A	N/A
Attrition Rate	20%	20% - 29%	25%
Increase in Compensation Cost	7.75%	9.00% - 9.25%	9.25%
Retirement Age	60	65	65

	As on Mar 31, 2018	As on Mar 31, 2017	As on Dec 31, 2015	As on Dec 31, 2014	As on Dec 31, 2013
(v) Amounts recognised in current year and previous four years/ period					
Defined Benefit Obligation	357	378	399	352	353
Fair Value of plan assets at the end of the year/ period	-	-	-	-	-
Amount recognized in Balance Sheet (Liability)	(357)	(378)	(399)	(352)	(353)
Experience adjustments in plan assets gains / (losses)	-	-	-	-	-
Experience adjustments in plan liabilities gains / (losses)	45	1	(28)	23	19
(Gains) / losses due to change in assumptions	-	-	-	-	-

Notes:

(i) The estimates of future salary increases, considered in the actuarial valuation, takes into on account, inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

(ii) The discount rate is based on the prevailing market yields of Indian government securities as at the Balance Sheet date for the estimated term of the obligation.

(All amounts in Rs. Lakhs, unless otherwise stated)

(vi) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The following table summarizes the impact on defined benefit obligation arising due to increase / decrease in key actuarial assumptions by 50 basis points:

As at March 31, 2018

Defined Benefit Obligation	Discount rate	Salary increase rate
Impact of decrease	8	(7)
Impact of increase	(7)	8

As at March 31, 2017

Defined Benefit Obligation	Discount rate	Salary increase rate
Impact of decrease	9	(9)
Impact of increase	(9)	9

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of-the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

34 FINANCIAL INSTRUMENTS

34.1 Capital management

The Group manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt (borrowings as detailed in notes 17 and 21) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

34.1.1 Debt equity ratio

The debt equity ratio at end of the reporting period was as follows.

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
Debt (i)	11	81	144
Net debt	**11**	**81**	**144**
Total equity	**38,358**	**34,991**	**33,297**
Net debt to equity ratio	0.00	0.00	0.00

(i) Debt is defined as long-term and short term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), as described in notes 17 and 21.

(ii) Total equity comprises issued share capital, reserves, retained earnings and other comprehensive income as set out in the statement of changes in equity.

(All amounts in Rs. Lakhs, unless otherwise stated)

	Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
34.2	**Categories of financial instruments**			
	Financial assets			
	Measured at fair value through profit or loss (FVTPL)			
	(a) Mandatorily measured:			
	Investment in mutual funds	12,151	10,099	-
	Measured at amortised cost			
	(a) Cash and bank balances	7,352	5,223	10,814
	(b) Bank balances other than above	124	12	-
	(c) Other financial assets at amortised cost	8,646	10,896	11,272
	Financial liabilities			
	Measured at fair value through profit or loss (FVTPL)			
	Derivative financial instruments	-	-	1
	Measured at amortised cost			
	Other financial liability at amortised cost	3,502	5,569	3,427

34.3 Financial risk management

The Group is exposed to foreign currency risk, liquidity risk, credit risk and interest risk which may impact the fair value of its financial instruments. The Group has a risk management policy to manage & mitigate these risks.

The Group's risk management policy aims to reduce volatility in consolidated financial statements while maintaining balance between providing predictability in the Group's business plan along with reasonable participation in market movement.

34.4 Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note 34.5) . The Group enters into derivative financial instruments to manage its exposure to foreign currency risk through forward foreign exchange contracts to hedge the exchange rate risk arising on the export of services to other countries.

34.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Liabilities as at			Assets as at		
	Mar 31, 2018	Mar 31, 2017	Jan 1, 2016	Mar 31, 2018	Mar 31, 2017	Jan 1, 2016
GBP	381	430	358	536	839	1,835
USD	1,008	2,318	854	8,899	8,912	5,759
Others*	1,350	1,774	811	4,295	4,012	2,911
Total	**2,739**	**4,522**	**2,023**	**13,730**	**13,763**	**10,505**

* Others include currencies such as SGD,EUR,MYR and AUD.

(All amounts in Rs. Lakhs, unless otherwise stated)

34.5.1 Foreign currency sensitivity analysis

The Group is mainly exposed to the USD and GBP.

The following table details the Group's sensitivity to a 10% increase and decrease in the Rs. against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the Rs. strengthens 10% against the relevant currency. For a 10% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Particulars	Impact on profit or loss for the year			Impact on total equity as at the end of the reporting period		
	Mar 31, 2018	Mar 31, 2017	Jan 1, 2016	Mar 31, 2018	Mar 31, 2017	Jan 1, 2016
GBP sensitivity						
Increase by 10%	15	41	148	15	41	148
Decrease by 10%	(15)	(41)	(148)	(15)	(41)	(148)
USD sensitivity						
Increase by 10%	789	659	490	789	659	490
Decrease by 10%	(789)	(659)	(490)	(789)	(659)	(490)
Others sensitivity*						
Increase by 10%	295	224	210	295	224	210
Decrease by 10%	(295)	(224)	(210)	(295)	(224)	(210)

* Others include currencies such as SGD,EUR,MYR and AUD.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

34.5.2 Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency receivables. The Group also enters into forward foreign exchange contracts to manage the risk associated with forecasted transactions.

As at March 31, 2018 and March 31, 2017 there are no outstanding forward foreign exchange contracts.

The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period January 1, 2016:

Outstanding forward contracts	Nominal amounts	Fair value liabilities
<u>Fair value hedges</u>		
Sell USD		
Less than 3 months	6	6
3 to 6 months	9	9
Total	**15**	**15**

(All amounts in Rs. Lakhs, unless otherwise stated)

34.6 Interest rate risk management

The Group is exposed to interest rate risk because the Group lend/ borrow funds at fixed interest rates. There is no exposure to market rate fluctuations.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

34.7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivables.

The Group does not have significant credit risk exposure to any single counterparty.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies

<u>Provision for expected credit losses</u>

The Group provides for expected credit loss based on the following:

<table>
<tr><th rowspan="2">Category</th><th rowspan="2">Description of category</th><th colspan="3">Basis for recognition of expected credit loss provision</th></tr>
<tr><th>Loans at amortised cost</th><th>Other financial assets at amortised cost</th><th>Trade receivables</th></tr>
<tr><td>High quality assets, negligible credit risk</td><td>Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil</td><td rowspan="2">12-month expected credit losses</td><td rowspan="2">12-month expected credit losses</td><td rowspan="3">Life-time expected credit losses (simplified approach)</td></tr>
<tr><td>Standard assets, moderate credit risk</td><td>Assets where the probability of default is considered moderate, however counter-party has sufficient capacity to meet the obligations</td></tr>
<tr><td>Low quality assets, very high credit risk</td><td>Assets where there is a high probability of default and is considered as high risk</td><td>Life-time expected credit losses</td><td>Life-time expected credit losses</td></tr>
<tr><td>Doubtful assets, credit-impaired</td><td>Assets are written off when there is no reasonable expectation of recovery</td><td colspan="3">Asset is written off</td></tr>
</table>

(All amounts in Rs. Lakhs, unless otherwise stated)

March 31, 2018

(a) Expected credit loss for loans and other financial assets at amortised cost

Particulars		Category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	Loans at amortised cost	1,868	0%	-	1,868
		High quality assets, negligible credit risk	Other financial assets at amortised cost	75	0%	-	75
		Standard assets, moderate credit risk	Other financial assets at amortised cost	3,573	0%	-	3,573

(b) Expected credit loss for trade receivables under simplified approach

Ageing	0-30 Days	31-60 Days	61-90 Days	91-180 Days	180+ Days	Total outstanding
Gross carrying amount	1,855	437	198	351	1,481	4,322
Expected loss rate	0%	0%	3%	10%	78%	28%
Expected credit losses (Loss allowance provision)	-	-	5	34	1,153	1,192
Carrying amount of trade receivables (net of impairment)	**1,855**	**437**	**193**	**317**	**328**	**3,130**

March 31, 2017

(a) Expected credit loss for loans and other financial assets at amortised cost

Particulars		Category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	Loans at amortised cost	1,868	0%	-	1,868
		High quality assets, negligible credit risk	Other financial assets at amortised cost	512	0%	-	512
		Standard assets, moderate credit risk	Other financial assets at amortised cost	3,871	0%	-	3,871

(All amounts in Rs. Lakhs, unless otherwise stated)

(b) Expected credit loss for trade receivables under simplified approach

Ageing	0-30 Days	31-60 Days	61-90 Days	91-180 Days	180+ Days	Total outstanding
Gross carrying amount	3,128	367	451	524	1,255	5,725
Expected loss rate	0%	9%	0%	0%	83%	19%
Expected credit losses (Loss allowance provision)	-	34	-	-	1,046	1,080
Carrying amount of trade receivables (net of impairment)	**3,128**	**333**	**451**	**524**	**209**	**4,645**

January 1, 2016

(a) Expected credit loss for loans and other financial assets at amortised cost

Particulars		Category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	Loans at amortised cost	1,868	0%	-	1,868
		High quality assets, negligible credit risk	Other financial assets at amortised cost	682	0%	-	682
		Standard assets, moderate credit risk	Other financial assets at amortised cost	4,140	0%	-	4,140

(b) Expected credit loss for trade receivables under simplified approach

Ageing	0-30 Days	31-60 Days	61-90 Days	91-180 Days	180+ Days	Total outstanding
Gross carrying amount	3,005	679	429	249	385	4,747
Expected loss rate	0%	0%	0%	0%	43%	3%
Expected credit losses (Loss allowance provision)	-	-	-	-	165	165
Carrying amount of trade receivables (net of impairment)	**3,005**	**679**	**429**	**249**	**220**	**4,582**

34.8 Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

34.8.1 Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Average effective interest rate(%)	Less than 1 year	1-2 years	2 years & above	Total carrying value
March 31, 2018					
Non-interest bearing	-	3,491			3,491
Fixed interest rate instruments	10.0%	8	3	-	11
		3,499	3	-	3,502
March 31, 2017					
Non-interest bearing	-	5,488			5,488
Fixed interest rate instruments	10.0%	35	41	5	81
		5,523	41	5	5,569
January 1, 2016					
Non-interest bearing	-	3,283			3,283
Fixed interest rate instruments	11.5%	53	72	19	144
		3,336	72	19	3,427

Fair value hierarchy

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The assets and liabilities measured at fair value on a recurring basis as at March 31, 2018 and the basis for that measurement is as below:

Particulars	Fair Value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss				
- Mutual Funds	12,151	12,151	-	-

There are no financial liabilities measured at fair value

There have been no transfers between Level 1 and Level 2 during the year

The following table discloses the assets and liabilities measured at fair value on a recurring basis as at March 31, 2017 and the basis for that measurement:

Particulars	Fair Value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss				
- Mutual Funds	10,099	10,099	-	-

There are no financial liabilities measured at fair value

There have been no transfers between Level 1 and Level 2 during the year

(All amounts in Rs. Lakhs, unless otherwise stated)

The following table discloses the assets and liabilities measured at fair value on a recurring basis as at January 1, 2016 and the basis for that measurement:

Particulars	Fair Value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss				
- Mutual Funds	-	-	-	-
Liabilities				
Unrealized loss on derivative financial instruments	1	-	1	-

There have been no transfers between Level 1 and Level 2 during the year

Valuation Methodologies

Investments in mutual funds: The Group's investments consist primarily of investment in debt linked mutual funds. Fair values of investment securities classified as fair value through profit and loss are determined using the closing NAV and are classified as Level 1.

Derivative financial instruments: The Group's derivative financial instruments consist of foreign currency forward exchange contracts. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date and are classified as Level 2.

<u>Fair value of financial assets and financial liabilities that are not measured at fair value</u>

The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

35 Related Party Disclosures

A. Names of related parties and nature of relationship:

1) Parties where control exists:

Nature of relationship	Names of related parties
(i) Holding companies:	
Ultimate Holding Company	DXC Technology Company
Intermediate holding companies	Computer Sciences Corporation CSC Computer Sciences International Inc. Lux 1 Holding Company, Inc. CSC Computer Sciences International S.a.r.l. DXC Lux 5 S.a.r.l. CSC Computer Sciences Holdings S.a.r.l. DXC Lux 6 S.a.r.l. CSC Computer Sciences International Holdings Limited CSC Computer Sciences International Services Limited CSC Computer Sciences International Limited CSC Computer Sciences International Operations Limited Xchanging Limited Xchanging Holdings Limited Xchanging B.V.
Immediate holding company	Xchanging (Mauritius) Limited, Mauritius ('XML, Mauritius')
(ii) Key Managerial Personnel (KMP)	
Non Executive Director & Chairman	David Bauernfeind (Non Executive Director & Chairman (upto May 27, 2016)
Executive Director & Chief Executive Officer	Alok K Sinha (upto November 10, 2016)

Executive Director & Chief Executive Officer	Srikrishna Madhavan (from November 11, 2016 to October 13, 2017)
Executive Director & Chief Executive Officer	Ramaswamy Sankaranarayanan Kavalapara (From October 14, 2017 to March 30, 2018)
Executive Director & Chief Executive Officer	Shrenik Kumar Champalal (From March 31, 2018)
Chief Financial Officer	Vinod Goel (upto June 15, 2016)
Chief Financial Officer	Rajeev Kachhal (from June 27, 2016 to upto January 9, 2017)
Chief Financial Officer	Suresh Akella (from May 29, 2017)
Company Secretary	Mayank Jain (From February 26, 2016)

2) **Other Related Parties with whom transactions have taken place during the period:**

Fellow subsidiaries

Xchanging Integrated Services Victoria Pty Limited, Australia ('XISVPL, Australia')
Xchanging Integrated Services Australia Pty Limited, Australia ('XISAPL, Australia')
Xchanging Systems and Service Inc., USA ('XSSI, USA')
Xchanging Global Insurance Solutions Ltd., UK ('XGISL, UK')
Xchanging Technology Services India Private Limited, India ('XTSIPL, India')
Xchanging UK Limited, UK ('XUKL, UK')
Xchanging GmbH, Germany ("XG, Germany")
Xchanging Asia Pacific Sdn Bhd, Malaysia ('XAPSB, Malaysia')
Xchanging HR Services Ltd, UK ('XHRSL, UK')
Xchanging Procurement Services Limited, UK ('XPSL, UK')
Ferguson Snell & Associates Ltd, UK ('FSAL, UK') (upto March 31, 2017)
Xchanging Inc. USA ('XI, USA')
Xchanging Builders (India) Private Limited, India ('XBPL, India')
Ins-sure Services Ltd, UK ('ISL, UK')
SBB Services Inc, USA ('SBB, USA')
Xchanging Procurement Services Europe SAS, France ('XPSLF, France')
Xchanging International Ltd, UK ('XIL, UK')
Xchanging Deutschland GmbH & Co. KG, Germany ('XDG, Germany')
Xchanging Broking Services Ltd, UK ('XBSL, UK')
Xchanging (SEA) Pte. Limited, Singapore ('XSPL, Singapore')
LPSO Ltd, UK ('LSPO, UK')
DXC Technology India Private Limited, India (previously known as CSC Technologies India Private Limited) ('DXC, India')
CSC Deutschland GmbH, Germany ('CSC, Germany')
CSC Technology Singapore Pte. Ltd ('CSC, Singapore')
CSC Switzerland GmbH, Switzerland ('CSC, Switzerland') (effective from current financial year)
Computer Sciences Corporation, USA ('CSC, USA') (effective from current financial year)
DXC Technology Services Vietnam Co, Vietnam ('DXC, Vietnam') (effective from current financial year)

(All amounts in Rs. Lakhs, unless otherwise stated)

B.

Summary of transactions with related parties is as follows:	Holding companies		Fellow subsidiaries		Total	
	For the year ended	For the 15 months period ended	For the year ended	For the 15 months period ended	For the year ended	For the 15 months period ended
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Expenses paid on behalf of the Group:						
XUKL, UK	-	-	62	183	62	183
XTSIPL, India	-	-	544	-	544	-
XBPL, India	-	-	-	29	-	29
XGISL, UK	-	-	67	66	67	66
XSSI, USA	-	-	29	710	29	710
DXC, India	-	-	191	145	191	145
CSC, Singapore	-	-	-	29	-	29
XAPSB, Malaysia	-	-	49	-	49	-
XSPL, Singapore	-	-	126	-	126	-
DXC, Vietnam	-	-	15	-	15	-
CSC, Germany	-	-	20	-	20	-
CSC, Switzerland	-	-	99	-	99	-
FSAL, UK	-	-	-	12	-	12
Total	**-**	**-**	**1,202**	**1,174**	**1,202**	**1,174**
Expenses paid on behalf of the related party:						
XGISL, UK	-	-	-	140	-	140
XSPL, Singapore	-	-	510	310	510	310
CSC, Singapore	-	-	21	-	21	-
XTSIPL, India	-	-	624	1,555	624	1,555
XAPSB, Malaysia	-	-	-	110	-	110
XPSL, UK	-	-	-	1	-	1
XUKL, UK	-	-	-	19	-	19
FSAL, UK	-	-	-	-	-	-
Total	**-**	**-**	**1,155**	**2,135**	**1,155**	**2,135**
Interest income on loans:						
XTSIPL, India	-	-	108	135	108	135
XBPL, India	-	-	116	145	116	145
Total	**-**	**-**	**224**	**280**	**224**	**280**
Revenue:						
XGISL, UK	-	-	182	1261	182	1,261
XAPSB, Malaysia	-	-	300	10	300	10
XTSIPL, India	-	-	6	91	6	91
DXC, India	-	-	618	210	618	210
CSC, Germany	-	-	37	22	37	22
CSC, Singapore	-	-	163	67	163	67
XSPL, Singapore	-	-	10	3	10	3
Total	**-**	**-**	**1,316**	**1,664**	**1,316**	**1,664**
Other Income:						
XTSIPL, India	-	-	3	-	3	-
Total	**-**	**-**	**3**	**-**	**3**	**-**

(All amounts in Rs. Lakhs, unless otherwise stated)

C. Summary of balances of related parties is as follows:	Holding companies			Fellow subsidiaries			Total		
	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
Trade Receivables:									
XUKL, UK	-	-	-	-	-	1	-	-	1
XAPSB, Malaysia	-	-	-	599	164	56	599	164	56
XPSL, UK	-	-	-	-	-	28	-	-	28
XGISL, UK	-	-	-	24	519	657	24	519	657
XSSI, USA	-	-	-	-	14	42	-	14	42
XTSIPL, India	-	-	-	66	489	186	66	489	186
FSAL, UK	-	-	-	-	-	33	-	-	33
DXC, India	-	-	-	285	82	-	285	82	-
CSC, Germany	-	-	-	10	21	-	10	21	-
CSC, Singapore	-	-	-	35	69	-	35	69	-
XIL, UK	-	-	-	-	-	46	-	-	46
LPSO Ltd, UK	-	-	-	-	-	19	-	-	19
XSPL, Singapore	-	-	-	161	169	2	161	169	2
SBB, USA	-	-	-	-	-	11	-	-	11
Total	**-**	**-**	**-**	**1,180**	**1,527**	**1,080**	**1,180**	**1,527**	**1,080**
Trade Payables:									
XBPL, India	-	-	-	-	-	1	-	-	1
FSAL, UK	-	-	-	-	9	3	-	9	3
XUKL, UK	-	-	-	27	337	305	27	337	305
XGISL, UK	-	-	-	334	268	163	334	268	163
XTSIPL, India	-	-	-	86	137	190	86	137	190
XAPSB, Malaysia	-	-	-	69	31	-	69	31	-
XSSI, USA	-	-	-	5	98	7	5	98	7
DXC, India	-	-	-	15	42	-	15	42	-
CSC, Singapore	-	-	-	8	29		8	29	-
CSC, Germany	-	-	-	21	-	-	21	-	-
CSC, USA	-	-	-	825	-	-	825	-	-
Xchanging plc, UK	-	7	9	-	-	-	-	7	9
DXC, Vietnam	-	-	-	16	-	-	16	-	-
Total	**-**	**7**	**9**	**1,406**	**951**	**669**	**1,406**	**958**	**678**

(All amounts in Rs. Lakhs, unless otherwise stated)

	Holding companies			Fellow subsidiaries			Total		
	As at Mar 31, 2018	**As at Mar 31, 2017**	**As at Jan 1, 2016**	**As at Mar 31, 2018**	**As at Mar 31, 2017**	**As at Jan 1, 2016**	**As at Mar 31, 2018**	**As at Mar 31, 2017**	**As at Jan 1, 2016**
Expenses Recoverable:									
XGISL, UK	-	-	-	-	29	90	-	29	90
XUKL, UK	-	-	-	-	76	19	-	76	19
XTSIPL, India	-	-	-	-	56	41	-	56	41
XAPSB, Malaysia	-	-	-	1	-	36	1	-	36
XSPL, Singapore	-	-	-	3	3	-	3	3	-
XIL, UK	-	-	-	-	38	-	-	38	-
LPSO Ltd, UK	-	-	-	-	16	-	-	16	-
XG, Germany	-	-	-	-	-	5	-	-	5
Total	**-**	**-**	**-**	**4**	**218**	**191**	**4**	**218**	**191**
Loans and Advances (including interest accrued):									
XTSIPL, India	-	-	-	908	924	900	908	924	900
XBPL, India	-	-	-	977	1,099	1,279	977	1,099	1,279
Total	**-**	**-**	**-**	**1,885**	**2,023**	**2,179**	**1,885**	**2,023**	**2,179**
Security Deposit Given									
XBPL, India	-	-	-	-	-	33	-	-	33
Total	**-**	**-**	**-**	**-**	**-**	**33**	**-**	**-**	**33**

(All amounts in Rs. Lakhs, unless otherwise stated)

D. Remuneration paid to the key managerial personnel

Particulars	For the year ended Mar 31, 2018	For the period ended 15 months March 31, 2017 Mar 31, 2017
Salaries, bonus, etc.	74	76
Total	**74**	**76**

Note:

(i) As gratuity is computed for all the employees in aggregate, the amounts relating to key managerial personnel cannot be individually identified.

36 Leases

(Refer note 2.7)

Operating lease

As lessee:

In case of assets taken on lease:

The Group has operating lease arrangements for its office premises, guest houses and certain equipment. The lease arrangements for premises and guest houses have been entered up to a maximum of six years from the respective dates of inception. Some of these lease arrangements have price escalation clauses. Rent and hire charges for such operating leases recognised in the Statement of Profit and Loss for the period ended March 31, 2018 amounts to Rs. 227 (2017: Rs. 805).

There are no future minimum lease payments under non-cancellable operating lease arrangements.

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Jan 1, 2016
37 Capital and Other Commitments			
(Refer note 2.12)			
(a) Capital Commitments			
Estimated value of contracts in capital account remaining to be executed (net of advances)	16	8	18

(b) Other Commitments

(i) The Company has export obligations under the Software Technology Parks of India (STPI) scheme. In accordance with such scheme, the Company procures capital goods without payment of duties, for which, agreements and bonds are executed by the Company in favour of the Government. In case the Company does not fulfil the export obligation, it is liable to pay, on demand an amount equal to such duties saved including interest and liquidated damages. As at March 31, 2018, the Company has availed duty benefits amounting to Rs. 84 (2017: Rs. 178, 2016: Rs. 178). The Company expects to meet its commitment to earn requisite revenue in foreign currency as stipulated by the STPI regulations.

38 CONTINGENT LIABILITIES

(Refer note 2.14)

(i) Claims against the Company not acknowledged as debts:			
Income tax matters [Note (b)]	758	2,277	2,210
Service tax matters [Note (c)]	2,359	2,359	2,359
	3,117	**4,636**	**4,569**

(All amounts in Rs. Lakhs, unless otherwise stated)

(ii) (a) During the quarter ended March 31, 2016, one of the customers of the Company has disputed its outstanding balance of INR 960 as on March 31, 2016. Arbitration proceeding for this dispute is ongoing. However as a matter of abundant caution, provision has been made for the amounts due.

(b) The above customer has made a claim on the company for the damages incurred by them to the extent of INR 1821, which has not been accepted by the Company.

Notes:

(a) The above contingent liabilities are possible obligation or present obligation that may (but probably will not) require an outflow of resources.

(b) Represents various income tax demands under appeal. On April 26, 2018 the company has received revised Appeal Effect order for FY 2008-09 pursuant to favourable order of ITAT and Rectification Order for FY 2012-13 due to which the demand for these years has been reduced substantially. The contingent liability number reported above is after considering these orders.

(c) Represents service tax amount on select categories of transactions relating to financial years 2007-08 to 2011-12 set out in a show cause notice issued by the Commissioner of Service Tax, Bangalore, which is responded by the Company. Based on consultation with legal counsel, the Company has filed a formal reply to the show cause notice.

(d) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(e) The Group does not expect any reimbursements in respect of the above contingent liabilities.

39 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Sec 135 of the Companies Act, 2013 applicable in the current year, the Company has spent Rs 21 (2017: Rs 15) on various CSR initiatives, during the year, which are mentioned below:

Sector in which the project is covered	March 31, 2018	March 31, 2017
Rotary Club	-	5
Environmentalist Foundation of India (EFI)	-	10
BHUMI	11	-
The Akshaya Patra Foundation	10	-
Total	**21**	**15**

40 On August 1, 2002, the Company issued 1,500,000, 11% debentures of face value of Rs. 100 each. The debentures were repayable at par at the end of five years from the date of issuance. Based on the orders of the Debt Recovery Tribunal, the Company had issued duplicate debenture certificates for 625,000 debentures in favour of a Bank and these debentures were redeemed in June 2007. Post redemption of these debentures, a civil suit was filed against the Company by Third Party claiming rights over the said 625,000 debentures. On the basis of an interim application filed by the Third Party, the Hon'ble High Court passed an Interim Order restraining the Company from reflecting the redemption of debentures and directing the Company to continue to show it as due and payable. The Hon'ble Madras High Court vide order dated September 28, 2016 dismissed the suit filed by the said Third Party and also set aside the interim order. The Third Party filed a special leave petition before the Supreme Court challenging the said order of the Hon'ble Madras High Court. On March 26, 2018 the Hon'ble Supreme Court dismissed the special leave petition filed by the Third Party.

41 Open offer for acquisition of up to 2,36,49,767 fully paid up equity shares of face value of INR 10 each ("Offer Shares") representing 21.23% of the fully diluted voting share capital of Xchanging Solutions Limited ("Target Company") from the public shareholders of the Target Company ("Public Shareholders") by Xchanging Technology Services India Private Limited ("Acquirer") together with Computer Sciences Corporation India Private Limited ("PAC 1") and DXC Technology Company ("PAC 2") (PAC 1 and PAC 2 are collectively referred to as "PAC") as the persons acting in concert with the Acquirer pursuant to and in compliance with Regulations 3(1), 4, and 5(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("Takeover Regulations") at an offer price of INR 55.22 per Offer Share ("Offer").

This Offer is being made in accordance with Regulations 3(1), 4, and 5(1) of the Takeover Regulations as a result of an indirect acquisition of 78.77% of the voting rights in and control by PAC 2 over the Target Company.

This Offer is a mandatory open offer being made by the Acquirer and PAC to the Public Shareholders pursuant to Regulations 3(1), 4, and 5(1) of the Takeover Regulations. The Offer is being made on account of the Merger Agreement dated May 24, 2016 (which was further amended on November 2, 2016 and December 6, 2016) entered into inter alia between Hewlett Packard Enterprise Company, Computer Sciences Corporation and PAC 2. The transactions contemplated under the Merger Agreement were completed on April 1, 2017.

The Acquirer and PAC had made the Public Announcement on November 17, 2017, Detailed Public Statement ("DPS") published on November 24, 2017 and the draft letter of offer with respect to the Offer ("DLoF") was filed with SEBI on November 30, 2017.

SEBI has issued observation letter bearing reference no. SEBI/HO/CFD/DCR1/OW/P/2018/13149/1 on May 2, 2018 ("SEBI Letter").

The revised schedule of activities relating to the Offer made in the DLoF, is issued in all the newspapers in which the DPS was published in terms of the SEBI Letter.

42 Transfer Pricing

The Group has carried out international and domestic transactions with associated enterprises. The Group appoints independent consultants to conduct a Transfer Pricing Study to determine whether the transactions with associated enterprises undertaken during the period are on an "arms length basis". For the current period, the transfer pricing study shall be completed within the permissible time under the legislation and adjustments, if any, arising from the transfer pricing study shall be accounted for as and when the study is completed. However, the Management is confident that its international and domestic transactions with associated enterprises and within its subsidiaries are at arm's length so that the aforesaid legislation/transactions will not have any material impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation for the current period.

43 The Board of Directors of the Company in their meeting held on August 11, 2016 have extended the previous financial period of the Company up to a period of 15 months i.e. January 1, 2016 to March 31, 2017. Subsequently, each financial year of the Company shall commence on April 1 and end on March 31 every year. Previous year figures are not comparable as they are for a period of 15 months.

44 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Entity	**Net assets, i.e., total assets minus total liabilities**		**Share of profit / (loss)**	
	As % of consolidated net assets	**Amount**	**As % of consolidated profit or loss**	**Amount**
Xchanging Solutions Limited*	141%	(54,056)	18%	561
Indian Subsidiaries				
Nexplicit Infotech India Private Limited	0%	(99)	0%	-
Foreign Subsidiaries				
Xchanging Solutions (Europe) Limited	1%	(397)	0%	(3)
Xchanging Solutions (Singapore) Pte Limited	8%	(2,983)	18%	577
Xchanging Solutions (Malaysia) Sdn Bhd	0%	(47)	0%	-
Xchanging Solutions (USA) Inc	(50%)	19,224	64%	2,029
Total	**100%**	**(38,358)**	**100%**	**3,164**

* Includes elimination adjustments also.

(All amounts in Rs. Lakhs, unless otherwise stated)

45 Disclosure as per regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Loans and advances in the nature of loans given to fellow subsidiaries in which directors are interested:

Name of the party	Relationship	Amount outstanding as at Mar 31, 2018	Maximum balance outstanding during the year
Xchanging Technology Services India Private Limited	Common Director	908 (924)	960 (997)
Xchanging Builders (India) Private Limited	Common Director	977 (1,099)	1,116 (1,384)

Note: Figures in bracket relate to previous year

46 FIRST-TIME ADOPTION OF IND AS

The Group has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1, 2017, with a transition date of January 1, 2016. These consolidated financial statements for the year ended March 31, 2018 are the first financial statements the Group has prepared under Ind AS. For all periods upto and including the period ended March 31, 2017 , the Group prepared its consolidated financial statements in accordance with the previously applicable Indian GAAP (previous GAAP).

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS consolidated financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Group has prepared consolidated financial statements which comply with Ind AS for year ended March 31, 2018, together with the comparative information as at and for the period ended March 31, 2017. The Group's opening Ind AS Balance Sheet has been prepared as at January 1, 2016, being the date of transition to Ind AS.

In preparing its opening Ind AS balance sheet as at January 1, 2016, the Group has adjusted the amounts reported previously in consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act. An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

Overall principle

The Group has prepared the opening consolidated balance sheet as per Ind AS as of January 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

Transition to Ind AS

In preparing these Ind AS consolidated financial statements, the Group has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the consolidated financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity. This note explains the adjustments made by the Group in restating its previous GAAP consolidated financial statements, including the Balance Sheet as at January 1, 2016 and the consolidated financial statements as at and for the period ended March 31, 2017.

46.1 Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

46.1.1 <u>Ind AS optional exemptions</u>

46.1.1.1 Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.Accordingly, the Group has elected to measure all of its property, plant and equipment (PPE) and intangible assets at their previous GAAP carrying value.

46.1.1.2 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Group has elected to apply this exemption for such contracts/arrangements.

46.1.1.3 Cumulative translation differences

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a subsidiary or equity method investee was formed or acquired.

The Group elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

46.1.2 <u>Ind AS mandatory exceptions</u>

46.1.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at January 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

46.1.2.2 Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after January 1, 2016 (the transition date).

46.1.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently, the Group has applied the above assessment based on facts and circumstances that exist at the transition date.

46.2 Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(All amounts in Rs. Lakhs, unless otherwise stated)

46.2.1 Effect of Ind As adoption on the balance sheet as at March 31, 2017 and January 1, 2016

	Note	As at March 31, 2017			As at January 1, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
ASSETS							
Non-current assets							
Property, plant and equipment		215	-	215	495	-	495
Other intangible assets		15	-	15	22	-	22
Goodwill on consolidation		15,841	-	15,841	15,841	-	15,841
Financial assets							
Loans		1,868	-	1,868	1,868	-	1,868
Other financial assets		819	-	819	590	-	590
Deferred tax assets (net)	1	962	63	1,025	703	-	703
Other non-current assets		1,733	-	1,733	1,985	-	1,985
Total non-current assets		**21,453**	**63**	**21,516**	**21,504**	**-**	**21,504**
Current assets							
Financial assets							
Investments		10,099	-	10,099	-	-	-
Trade receivables		4,645	-	4,645	4,582	-	4,582
Cash and cash equivalents		5,223	-	5,223	10,814	-	10,814
Bank balances other than above		12	-	12	-	-	-
Other financial assets		3,564	-	3,564	4,232	-	4,232
Other current assets		115	-	115	95	-	95
Total current assets		**23,658**	**-**	**23,658**	**19,723**	**-**	**19,723**
Total assets		**45,111**	**63**	**45,174**	**41,227**	**-**	**41,227**
EQUITY AND LIABILITIES							
Equity							
Equity share capital		11,140	-	11,140	11,140	-	11,140
Other equity	1 to 6	23,788	63	23,851	22,157	-	22,157
Total equity		**34,928**	**63**	**34,991**	**33,297**	**-**	**33,297**
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings		46	-	46	91	-	91
Provisions		317	-	317	617	-	617
Other non-current liabilities		77	-	77	35	-	35
Total non-current liabilities		**440**	**-**	**440**	**743**	**-**	**743**
Current liabilities							
Financial liabilities							
Trade payables		5,485	-	5,485	3,280	-	3,280
Other financial liabilities		38	-	38	57	-	57
Provisions		101	-	101	234	-	234
Current tax liabilities (net)		2,911	-	2,911	2,860	-	2,860
Other current liabilities		1,208	-	1,208	756	-	756
Total current liabilities		**9,743**	**-**	**9,743**	**7,187**	**-**	**7,187**
TOTAL EQUITY AND LIABILITIES		**45,111**	**63**	**45,174**	**41,227**	**-**	**41,227**

(All amounts in Rs. Lakhs, unless otherwise stated)

46.2.2 Reconciliation of total equity as at March 31, 2017 and January 1, 2016

Particulars	Note	As at Mar 31, 2017	As at Jan 1, 2016
Total equity (Shareholder's funds) under previous GAAP		34,928	33,297
Recognition of deferred taxes using the balance sheet approach under Ind AS.	1	63	-
Total adjustment to equity		**63**	**-**
Total equity under Ind As		**34,991**	**33,297**

46.2.3 Effect of Ind As adoption on the statement of profit and loss for the 15 months period ended March 31, 2017

	Note	Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from operations		30,727	-	30,727
Other income		1,390	-	1,390
Total Income		32,117	-	32,117
Expenses				
Employee benefits expense	3	19,206	1	19,207
Finance costs		15	-	15
Depreciation and amortisation expense		305	-	305
Other expenses	4	10,675	(69)	10,606
Total expenses		30,201	(68)	30,133
Profit before tax		1,916	68	1,984
Tax expense				
Current tax		415	-	415
Deferred tax		(259)	-	(259)
Total tax expense / (benefit)		156	-	156
Profit for the period		**1,760**	**68**	**1,828**
Other comprehensive income/ (expense)				
(A) (i) Items that will not be reclassified to profit or loss				
- Remeasurements of the defined benefit plans	3,5	-	1	1
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
(B) (i) Items that may be reclassified to profit or loss				
- Exchange differences in translating the financial statements of foreign operations	2,4,5	-	(191)	(191)
(ii) Income tax relating to items that may be reclassified to profit or loss		-	63	63
Total other comprehensive income/ (expense)		-	(127)	(127)
Total Comprehensive Income for the period		**1,760**	**(59)**	**1,701**

(All amounts in Rs. Lakhs, unless otherwise stated)

46.2.4 Reconciliation of total comprehensive income for the period ended March 31, 2017

Particulars	Note	For the 15 months period ended March 31, 2017
Profit/ (Loss) after tax as reported in previous year as per Indian GAAP		**1,760**
Actuarial loss on defined benefit plan transferred to other comprehensive income/ (expense)	3	(1)
Exchange differences on integral operation transferred to other comprehensive income/ (expense)	4	69
Profit/ (Loss) after tax as reported as per Ind AS		**1,828**
Other comprehensive expense (net of tax)	5	(127)
Total Comprehensive Income/ (expense) as per Ind AS		**1,701**

46.2.5 Cash flow statement

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

Notes to the reconciliations

1 Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

2 Foreign Currency Translation Reserve ("FCTR")

The Group elected to reset the balance appearing in the FCTR to zero as at January 1, 2016. Accordingly, translation reserve balance under previous GAAP of Rs 748 has been transferred to retained earnings. There is no impact on total equity as a result of this adjustment. Movement in FCTR post transition date is recognised in other comprehensive income and accumulated in equity.

3 Remeasurements of post-employment benefit obligations

Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/ asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of the statement of profit and loss.

4 Exchange differences on intergral operation reclassfied to FCTR

Under previous GAAP, exchange difference on integral operations were recognised in the statement of profit and loss. Under Ind AS, there is no such exception for integral operation and all the exchange difference in translating the financial statements of foreign operations are to be recognised in other comprehensive income instead of the statement of profit and loss and accumulated in equity.

5 **Retained earnings**

Retained earnings as at January 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

6 **Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and exchange differences in translating the financial statements of foreign operations . The concept of other comprehensive income did not exist under previous GAAP.

47 Previous period/ year figures

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Bhavani Balasubramanian
Partner

Place: Bangalore
Date: 24 May, 2018

For and on behalf of the Board of Directors

Ashok Kumar Ramanathan
Independent Director

Place: Bangalore
Date: 24 May, 2018

Shrenik Kumar Champalal
Whole Time Director and
Chief Executive Officer (Interim)
Place: Bangalore
Date: 24 May, 2018

Gidugu Kalpana Tatavarti
Non-Executive Director
Place: Bangalore
Date: 24 May, 2018

Henry D' Souza
Independent Director
Place: Bangalore
Date: 24 May, 2018

Suresh Akella
Chief Financial Officer
Place: Bangalore
Date: 24 May, 2018

Mayank Jain
Company Secretary
Place: Bangalore
Date: 24 May, 2018

FORM AOC – 1

Pursuant to first proviso to Sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2018

Statement containing salient features of the financials statements of subsidiaries/associates Companies/ joint ventures as included in the consolidated Financial Statement

Part – "A": Subsidiaries

(INR in Lakhs)

S. No.	Particulars	Xchanging Solution Europe Ltd.	Xchanging Solutions (USA) Inc.,	Xchanging Solutions Singapore Pte Ltd.	Xchanging Solutions (Malaysia) Sdn Bhd.
1.	Date since when subsidiary was acquired	31 March 2004	2 July 2004	31 March 2004	NA#
2.	Reporting period	1 April 2017- 31 March 2018			
3.	Reporting currency	1 GBP= 91.45	1$= 65.15	1 SGD= 49.72	1 MYR=16.87
4.	Share Capital	2436.38	6469.10	1143.48	42.18
5.	Reserves & Surplus	(2039.17)	(25688.25)	1845.04	4.27
6.	Total Assets	417.26	7170.42	4682.86	48.98
7.	Total Liabilities	20.05	1680.07	1694.33	2.53
8.	Investments	-	17.83	58.52	-
9.	Turnover	7.64	10074.01	5369.70	-
10.	Profit (Loss) before Taxation	(1.78)	2114.30	703.46	(0.21)
11.	Provision for taxation	-	67.54	99.91	-
12.	Profit after taxation	(1.78)	2046.75	603.55	(0.21)
13.	Proposed dividend	-	-	-	-
14.	Extent of shareholding (in percentage)	100%	100%	100%	100%

Note:

Nexplicit Infotech India Private Limited, step down subsidiary of the Company is under liquidation.

Xchanging Solutions (Malaysia) Sdn Bhd is a step-down subsidiary of the Company

Notice is hereby given that the Seventeenth Annual General Meeting **("AGM")** of the members of Xchanging Solutions Limited ("Company") will be held on Wednesday, 26 September 2018 at 10:00 am at SJR I-Park, Plot No. 13, 14, 15, EPIP Industrial Area, Phase I, Whitefield, Bangalore 560066 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31 March 2018 and the Reports of the Board of Directors and Auditors thereon.

SPECIAL BUSINESS:

2. To consider and approve appointment & remuneration of Mr. Shrenik Kumar Champalal as Whole Time Director of the Company.

   In this regard, it is proposed to consider and if thought fit to pass the following resolution as special resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, Schedule V and all other applicable provisions of the Companies Act, 2013, if any, (including any statutory modifications or re-enactment(s) thereof, for time being in force), applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the approval of the Central Government (if any), consent of the shareholders be and is hereby accorded for appointment of Mr. Shrenik Kumar Champalal (DIN 08099410) as Whole Time Director of the Company for a period of 3 (three) years with effect from 31 March 2018 on the following broad terms and conditions:

   A. Tenure:

   The appointment of Mr. Shrenik Kumar Champalal as Whole Time Director is for a period of 3 years with effect from 31 March 2018.

   B. Duties:

   Mr. Shrenik Kumar Champalal shall perform such duties and exercise such powers as may from time to time be entrusted to him, subject to the superintendence and control of the Board of Directors of the Company.

   C. Salary & Commission:

   Mr. Shrenik Kumar Champalal shall be paid the remuneration including the perquisites, not exceeding INR 60 Lacs per annum during the term of his tenure as Whole Time Director. He shall not to be entitled to any commission during his tenure as Whole Time Director.

   D. Reimbursement of Travel and out of pocket expenses:

   Mr. Shrenik Kumar Champalal shall be entitled for actual reimbursement of travel and out of pocket expenses incurred for business purpose of the Company.

   RESOLVED FURTHER THAT Executive Director, Chief Financial Officer and Company Secretary, be and are hereby severally authorized to file the necessary Form with Registrar of Companies or any applicable authorities, if any, for appointment of Mr. Shrenik Kumar Champalal as Whole Time Director and Key Managerial Personnel of the Company and to attend all other matters connected therewith."

3. To consider and approve appointment & remuneration of Mr. Chandrasekhara Rao Boddoju as Managing Director of the Company.

   In this regard, it is proposed to consider and if thought fit to pass the following resolution as special resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, Schedule V and all other applicable provisions of the Companies Act, 2013, if any, (including any statutory modifications or re-enactment(s) thereof, for time being in force), applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the approval of the Central Government (if any), consent of the shareholders be and is hereby accorded for appointment of Mr. Chandrasekhara Rao Boddoju (DIN 08185777) as Managing Director of the Company for a period of 3 (three) years with effect from 9 August 2018 on the following broad terms and conditions:

   A. Tenure:

   The appointment of Mr. Chandrasekhara Rao Boddoju as Managing Director is for a period of 3 years with effect from 9 August 2018 and he shall be liable to retire by rotation.

   B. Duties:

   Mr. Chandrasekhara Rao Boddoju shall perform such duties and exercise such powers as may from time to time be entrusted to him, subject to the superintendence and control of the Board of Directors of the Company.

C. **Salary & Commission:**

Mr. Chandrasekhara Rao Boddoju shall be paid the remuneration including the perquisites, not exceeding INR 36 Lacs per annum during the term of his tenure as Managing Director. He shall not to be entitled to any commission during his tenure as Managing Director.

D. **Reimbursement of Travel and out of pocket expenses:**

Mr. Chandrasekhara Rao Boddoju shall be entitled for actual reimbursement of travel and out of pocket expenses incurred for business purpose of the Company.

RESOLVED FURTHER THAT Executive Director, Chief Financial Officer and Company Secretary, be and are hereby severally authorized to file the necessary Form with Registrar of Companies or any applicable authorities, if any, for appointment of Mr. Chandrasekhara Rao Boddoju as Managing Director and Key Managerial Personnel of the Company and to attend all other matters connected therewith."

4. To consider and approve appointment & remuneration of Mr. Ramaswamy Sankaranarayanan Kavalapara as Managing Director (Interim) of the Company.

In this regard, it is proposed to consider and if thought fit to pass the following resolution as special resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, Schedule V and all other applicable provisions of the Companies Act, 2013, if any, (including any statutory modifications or re-enactment(s) thereof, for time being in force), applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the approval of the Central Government (if any), consent of the shareholders be and is hereby accorded for appointment of Mr. Ramaswamy Sankaranarayanan Kavalapara (DIN 03591123) as Managing Director (interim) of the Company is for a period from 14 October 2017 to 30 March 2018 on the following broad terms and conditions:

A. **Tenure:**

The appointment of Mr. Ramaswamy Sankaranarayanan Kavalapara as Managing Director (Interim) is for a period from 14 October 2017 to 30 March 2018.

B. **Salary & Commission:**

The remuneration paid to Mr. Ramaswamy Sankaranarayanan Kavalapara including the perquisites, not exceeding INR 37 Lacs (from 14 October 2017 to 30 March 2018) as Managing Director (Interim). He has not taken any commission during his tenure as Managing Director.

C. **Reimbursement of Travel and out of pocket expenses:**

Mr. Ramaswamy Sankaranarayanan Kavalapara has been entitled for actual reimbursement of travel and out of pocket expenses incurred for business purpose of the Company.

RESOLVED FURTHER THAT Executive Director, Chief Financial Officer and Company Secretary, be and are hereby severally authorized to file the necessary Form with Registrar of Companies or any applicable authorities, if any, for appointment of Mr. Ramaswamy Sankaranarayanan Kavalapara as Managing Director (Interim) and Key Managerial Personnel of the Company and to attend all other matters connected therewith."

5. To consider and approve appointment of Ms. Gidugu Kalpana Tatavarti as Non-Executive Director of the Company.

In this regard, it is proposed to consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 152 and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 36 & other applicable regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and any other applicable laws, Ms. Gidugu Kalpana Tatavarti (DIN: 06644105), who was appointed as an Non-Executive Director (Additional Director) pursuant to Article 93 of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013 w.e.f. 27 March 2018 to hold office till the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as Non-Executive Director of the Company, liable to retire by rotation."

6. To consider and determine the fees for delivery of any document through a particular mode of delivery to a member.

   In this regard, it is proposed to consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act, 2013 and relevant rules framed thereunder and other applicable provisions, if any, whereby, a document may be served on any member by the Company by sending it to him/her by post, by registered post, by speed post, by electronic mode, or any other modes as may be prescribed, consent of the members be and is hereby accorded to charge from the member such fees in advance equivalent to estimated actual expenses of delivery of the documents delivered through registered post or speed post or by courier service or such other mode of delivery of documents pursuant to any request by the shareholder for delivery of documents, through a particular mode of service mentioned above provided such request along with requisite fees has been duly received by the Company at least 7 days in advance of dispatch of documents by the Company to the shareholder;

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Executive Director or Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or desirable to give effect to the resolution."

By Order of the Board of
Xchanging Solutions Limited

Place : Bangalore **Mayank Jain**
Date : 9 August, 2018 **Company Secretary**
Membership No:- A26620

Registered office: - SJR I-Park, Plot No. 13, 14, 15, EPIP Industrial Area, Phase I, Whitefield, Bangalore 560066, Karnataka, India

NOTES:

1. An explanatory statement as required pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.**

   A person shall not act as a proxy for more than 50 members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person.

3. Only registered members carrying the attendance slip and the holders of valid proxies registered with the Company will be permitted to attend the Meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.

4. Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty-four hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than 3 (three) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.

5. The Register of Members and Share Transfer Books of the Company will remain closed from 20 September 2018 to 26 September 2018 (both days inclusive) for the purpose of Annual General Meeting.

6. Members/ Proxy(ies) are requested to bring their copy of the Annual Report with them at the Annual General Meeting. Corporate members/ Societies etc. intending to send their authorized representative(s) are requested to send a duly certified copy of the Board Resolution/authority, as applicable, authorizing their representative(s) to attend and vote at the Annual General Meeting.

7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

8. All documents, including those required to be kept for inspection, referred to in the accompanying Notice, are open for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays and Public holidays, between 11:30 A.M. to 01:30 P.M. upto the date of the Annual General Meeting.

9. Members desirous of getting any information with regard to Accounts/Reports or Operations of the Company are requested to submit their queries addressed to the Chief Financial Officer/ Company Secretary of the Company at least ten days in advance of the Annual General Meeting so that the information called for can be made available at the Meeting.
10. Members holding shares in physical mode are requested to quote their Ledger Folio No. in all their correspondence and intimate the following directly to the Company's Registrar and Transfer Agent i.e. Karvy Computershare Private Limited
    i) Changes, if any, in their address with PIN Code numbers.
    ii) Request for making nominations as per the provisions contained in Section 72 of the Companies Act, 2013, in the prescribed Form SH-13.

    Members holding shares in dematerialized mode are requested to intimate the aforesaid changes directly to their Depository Participant, as applicable.

    Further, SEBI vide its circular dated 20 April 2018 and 16 July 2018, has mandated to submit the PAN and Bank Account details, email address, etc by all shareholders to the Registrar and Transfer Agent of the Company. In this regard, the Company has already sent notices on 19 July 2018 to the shareholders for submission of their PAN and Bank Account details.
11. In terms of the provisions of the Companies Act, 2013, a Company can serve Annual Report through electronic mode to the shareholders who have registered their e-mail address with the Company or with the Depository Participant. Accordingly, the Annual Report of the Company is being sent on the email addresses made available to the Company by the Depositories or registered by the Members with the Company or RTA of the Company, unless any member has requested for a hard copy of the same.
12. The Annual Report of the Company for the financial year ended 31 March 2018 being circulated to the members of the Company and this notice calling annual general meeting is available on the Company's website, viz. http://www.xchanging.com/investor-relations/xsl-content.The notice of the meeting is also available at the website of Karvy at evoting@karvy.com.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices etc. from the Company in electronic mode.
14. Electronic copy of the Notice of the 17th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 17th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
15. In compliance with the provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Amendments Rules, 2015, the Company is pleased to provide the facility of voting through electronic means to its members. Members of the Company can transact all the items of the businesses with the facility of voting through electronic means as contained in the notice of the meeting.
16. The remote e-voting i.e. the facility of casting votes by a member using an electronic voting system from a place other than venue of a general meeting, shall commence at 09:00 AM on 23 September 2018 and will end at 05:00 PM on 25 September 2018. The facility for remote e-voting shall forthwith be blocked at the end of the period of remote e-voting.
17. The cut-off date i.e. date not earlier than seven days before the date of general meeting for determining the eligibility to vote by electronic means or in the general meeting shall be19 September 2018.
18. A member whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e voting as well as voting in the general meeting.
19. The facility for voting through ballot paper shall be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
20. The members who have cast their vote by remote e-voting prior to the meeting may also attend the

meeting but shall not be entitled to cast their vote again.

21. The Company has appointed M/s Ankush Agarwal & Associates, Company Secretary in Practice, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the meeting, a consolidated scrutinizer's report of the votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and shall declare the result of the voting forthwith.
22. The results on the resolutions shall be declared within 48 hours of the conclusion of the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
23. The Results of voting along with the Scrutinizer's Report(s) thereon would be available on the website of the Company http://www.xchanging.com/investor-relations/xsl-content and Service provider's website evoting@karvy.com immediately after the declaration of the results and would also be communicated simultaneously to the BSE Limited and the National Stock Exchange of India Limited.
24. Member may please note that no gifts/gift coupons shall be distributed at the venue of the Annual General Meeting.
25. The complete details of the instructions for e-voting are annexed to this Notice.

INSTRUCTION FOR E-VOTING

I) Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:

i. Launch internet browser by typing the URL: https://evoting.karvy.com.

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmostcare to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on “Submit”.

xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email cs.ankushagarwal@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format “ **Corporate Name_Event No.”**

(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:

i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.

ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.karvy.com (Karvy Website) or contact Mr. Andandan K, Manager, (Unit: Xchanging Solutions Limited) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 – 6716 1500 or call Karvy’s toll free No. 1-800-34-54-001 for any further clarifications.

b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

c. The remote e-voting period commences on 23 September 2018 (9:00 A.M. IST) and ends on 25 September 2018 (5:00 P.M.IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19 September 2018, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 19 September 2018.

e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., 19 September 2018, he/she may obtain the User ID and Password in the manner as mentioned below :

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:
MYEPWD <SPACE> IN12345612345678

Example for CDSL:
MYEPWD <SPACE> 1402345612345678

Example for Physical:
MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https:// evoting.karvy.com, the member may click “Forgot

Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Member may call Karvy's toll free number 1800-3454-001.

iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

By Order of the Board of
Xchanging Solutions Limited

Place : Bangalore **Mayank Jain**
Date : 9 August, 2018 **Company Secretary**
Membership No:- A26620

Registered office: - SJR I-Park, Plot No. 13, 14, 15, EPIP Industrial Area, Phase I, Whitefield, Bangalore 560066, Karnataka, India

EXPLANATORY STATEMENT

Pursuant to Section 102(1) of the Companies Act, 2013

Item No. 2

The Board of Directors in its meeting held on 30 March 2018 appointed Mr. Shrenik Kumar Champalal as Additional Director under Section 161 of the Companies Act, 2013 to hold office up to the date of this AGM as per Article 93 of the Articles of Association of the Company. The Board has further appointed Mr. Shrenik Kumar Champalal as Whole Time Director of the Company for a period of 3 years with effect from 31 March 2018 and his appointment is subject to the approval of the shareholders.

Mr. Shrenik Kumar Champalal is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given his consent to act as Director.

Schedule V of the Companies Act, 2013 provides that where in any financial year during the currency of tenure of the Executive Director, a company has no profits or its profits are inadequate, it may pay remuneration up to the limit prescribed therein, which is based on the effective capital of the Company, provided the minimum remuneration payable to such Directors is approved by the members by way of a special resolution. The special resolution so passed shall be valid for a period of three years.

Although the Company has shown profit from operations in the current financial years, it is proposed to approve the above in order to enable the Company to pay the remuneration to its Directors in the eventuality of loss/ inadequacy of profits.

The payment of minimum remuneration to Mr. Shrenik Kumar Champalal as stated above is subject to the approval of the members.

The Resolutions under item No. 2 are recommended for the approval by the shareholders as Special Resolution respectively.

No Director (other than Mr. Shrenik Kumar Champalal), and key managerial personnel and their relatives, is in any way concerned or interested, financially or otherwise in this resolution.

Item No. 3

The Board of Directors in its meeting held on 9 August 2018 appointed Mr. Chandrasekhara Rao Boddoju as Additional Director under Section 161 of the Companies Act, 2013 to hold office up to the date of this AGM as per Article 93 of the Articles of Association of the Company. The Board has further appointed Mr. Chandrasekhara Rao Boddoju as Managing Director of the Company for a period of 3 years with effect from 9 August 2018 and his appointment is subject to the approval of the shareholders. He shall be liable to retire by rotation.

Mr. Chandrasekhara Rao Boddoju is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given his consent to act as Director.

Schedule V of the Companies Act, 2013 provides that where in any financial year during the currency of tenure of the Executive Director, a company has no profits or its profits are inadequate, it may pay remuneration up to the limit prescribed therein, which is based on the effective capital of the Company, provided the minimum remuneration payable to such Directors is approved by the members by way of a special resolution. The special resolution so passed shall be valid for a period of three years.

Although the Company has shown profit from operations in the current financial years, it is proposed to approve the above in order to enable the Company to pay the remuneration to its Directors in the eventuality of loss/ inadequacy of profits.

The payment of minimum remuneration to Mr. Chandrasekhara Rao Boddoju as stated above is subject to the approval of the members.

The Resolutions under item No. 3 are recommended for the approval by the shareholders as Special Resolution respectively.

No Director (other than Mr. Chandrasekhara Rao Boddoju), and key managerial personnel and their relatives, is in any way concerned or interested financially or otherwise in this resolution

Item No. 4

The Board of Directors in its meeting held on 13 October 2017 appointed Mr. Ramaswamy Sankaranarayanan Kavalapara as Managing Director (Interim) of the Company to hold office up to the date of this AGM. He resigned as Managing Director on 30 March 2018.

Mr. Ramaswamy Sankaranarayanan Kavalapara was not disqualified from being appointed as a director in terms of Section 164 of the Act and had given his consent to act as Director.

Schedule V of the Companies Act, 2013 provides that where in any financial year during the currency of tenure of the Executive Director, a company has no profits or its profits are inadequate, it may pay remuneration up to the limit prescribed therein, which is based on the effective capital of the Company, provided the minimum remuneration payable to such Directors is approved by the members by way of a special resolution.

Although the Company has profit from operations in the current financial years, it is proposed to approve the above in order to enable the Company to pay the remuneration to its Directors in the eventuality of loss/ inadequacy of profits.

The payment of minimum remuneration to Mr. Ramaswamy Sankaranarayanan Kavalapara as stated above is subject to the approval of the members.

The Resolutions under item No. 4 are recommended for the approval by the shareholders as Special Resolution respectively.

No Director (other than Mr. Ramaswamy Sankaranarayanan Kavalapara), and key managerial personnel and their relatives, is in any way concerned or interested in this resolution

In Item no. 2, 3 and 4, the information as required under Schedule V Section II to be provided in the explanatory statement of the notice of AGM is given below:

I.	**GENERAL INFORMATION**	**Shrenik Kumar Champalal**	**Chandrasekhara Rao Boddoju**	**Ramaswamy Sankaranarayanan Kavalapara**
1	Nature of Industry	Information Technology Services		
2	Date or expected date of commencement of commercial production	Not Applicable (The Company is an existing Company)		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
4	Financial performance based on given indicators	Particulars Period 1-4-2017 to 31-03-2018 Total Revenue: INR 6,641 Lakhs Profit after tax: INR 561 Lakhs		
5	Export performance and net foreign exchange collaborations	The Company has foreign exchange earnings of INR 4,307 Lakhs during the financial Year ending 31 March 2018		
6	Foreign investments or collaborators, if any.	The Company has investments in the following overseas direct subsidiaries: 1. Xchanging Solutions (USA) Inc., USA 2. Xchanging Solutions (Europe) Limited, UK 3. Xchanging Solutions (Singapore) Pte. Ltd. Singapore		
II.	**INFORMATION ABOUT THE APPOINTEE DIRECTOR:**	**Shrenik Kumar Champalal**	**Chandrasekhara Rao Boddoju**	**Ramaswamy Sankaranarayanan Kavalapara**
1	Background Details:	The background details of Mr. Shrenik Kumar Champalal are given elsewhere in the notice.	The background details of Mr. Chandrasekhara Rao Boddoju are given elsewhere in the notice.	The background details of Mr. Ramaswamy Sankaranarayanan Kavalapara are given elsewhere in the notice.
2	Past remuneration	-	-	-

3	Recognition or awards	-	-	-
4	Job profile and his suitability	He is an Associate Vice President-Finance of the Company and considering his 17+ years of rich experience in finance and he is suitable for the job.	He is a Chief Executive Officer of the Company and considering his 27+ years of rich experience in IT and he is suitable for the job.	He was Associate Director-Human Resource of the Company and considering his 29+ years of rich experience in HR and he was suitable for the job.
5	Remuneration proposed	As per details given in resolution Item No. 2	As per details given in resolution Item No. 3	As per details given in resolution Item No. 4
6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration payable to the appointees has been benchmarked with the remuneration being drawn by similar positions in IT industry and has been considered by the Nomination & Remuneration Committee on 30 March, 2018.	The remuneration payable to the appointees has been benchmarked with the remuneration being drawn by similar positions in IT industry and has been considered by the Nomination & Remuneration Committee on 9 August, 2018.	The remuneration payable to the appointees has been benchmarked with the remuneration being drawn by similar positions in IT industry and has been considered by the Nomination & Remuneration Committee on 13 October 2018.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	He is an Associate Vice President-Finance of the Company.	He is a Chief Executive Officer of the Company.	He was Associate Director-Human Resources of the Company.
III	**OTHER INFORMATION**	**Shrenik Kumar Champalal**	**Chandrasekhara Rao Boddoju**	**Ramaswamy Sankaranarayanan Kavalapara**
1	Reasons of loss or inadequate profits	Reduction in revenue is primarily due to the following: 1. Non-renewal of some of the customers contract 2. General IT industry slowdown of the country at large		
2	Steps taken or proposed to be taken for improvement	The Company will remain committed to generating superior returns for its stakeholders. Company would approach to new customer.		
3	Expected increase in productivity and profits in measurable terms	Continuous efforts to expand marketing and economy in operations.		
	Disclosures	**Shrenik Kumar Champalal**	**Chandrasekhara Rao Boddoju**	**Ramaswamy Sankaranarayanan Kavalapara**
	The requisite disclosures have been made in the Board of Directors Report under the heading "Corporate Governance" as attached to the financial statement.			

Item No. 5

The Board of Directors ("the Board") appointed Ms. Gidugu Kalpana Tatavarti (DIN: 06644105) as a Non-Executive Director (Additional Director) w.e.f. 27 March 2018 by way of resolution by circulation. Having been so appointed, she holds office till the date of this Annual General Meeting by virtue of Section 161 of the Companies Act, 2013 read with Article 93 of the Articles of Association of the Company and is eligible for appointment.

She is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as Director.

The Resolutions under item No. 5 are recommended for the approval by the shareholders as an Ordinary Resolution respectively.

No Director (other than Ms. Gidugu Kalpana Tatavarti), and key managerial personnel and their relatives, is in any way concerned or interested, Financially or otherwise in this resolution.

In item no. 2, 3, 4 and 5, additional Information pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the Director	**Shrenik Kumar Champalal**	**Chandrasekhara Rao Boddoju**	**Ramaswamy Sankaranarayanan Kavalapara**	**Gidugu Kalpana Tatavarti**
DIN	08099410	08185777	03591123	06644105
Date of Birth	1 February 1976	4 August 1966	1 June 1966	30 July 1966
Date of appointment	31 March 2018	9 August 2018	Appointment- 14 October 2017 Resigned - 30 March 2018	27 March 2018
Qualification	Mr. Shrenik Kumar Champalal is a Chartered Accountant	Mr. Chandrasekhara Rao Boddoju holds Masters degree in Computer Science & Engineering & Bachelors degree in Mechanical engineering. He is also alumni of IIM-Calcutta.	Mr. Ramaswamy Sankaranarayanan Kavalapara holds Bachelor of Arts in Economics and PDGPMIR in Human resources	Ms. Gidugu Kalpana Tatavarti holds Bachelor of Arts in English Literature and Diploma in Marketing and Sales
Relation with Promoters/ Directors	He is an Associate Vice President-Finance of the Company. He has no relationship with Promoters/Directors	He is a director of a Promoter Company (DXC Technology India Private Limited). He has been appointed as director on 26 July 2018 in DXC Technology India Private Limited.	He had no relationship with Promoters/Directors	She has no relationship with Promoters/Directors
Expertise in Functional area	Mr. Shrenik Kumar Champalal is a Chartered Accountant with 17 years of progressive and successful experience in Controllership, Reporting & technical accounting advisory role in various countries. He has a strong background in corporate finance, financial and statutory reporting, auditing, controllership along with expertise in International and Indian accounting standards. He has acquired valuable international experience working with management and business cultures in Canada, UAE and UK. He is an exceptional leader, motivator, and team builder who is goal-oriented and excels in a fast-paced, high pressure environment. He has actively participated in the development of the various corporate strategic plans.	Mr. Chandrasekhara Rao Boddoju, brings experience of over 27 years in IT services industry, played leadership roles spanning Software development, Project and Program management, Global delivery, Pre-Sales & Digital Solutions, Account management and SBU P&L management. For the past 13+ years at DXC Technology Company (previously CSC), he has led the setup and growth of multiple customer engagements from NA, Europe and AMEA regions, turned around a number of customer accounts and business units for improved profit and growth and as well managed some of the acquisitions/integrations by CSC at India. Currently heading Xchanging AES business (Xchanging Solutions Limited and its subsidiaries as well as Xchanging Technology Services India Private Limited mainly) as P&L head (Sell and Deliver responsibility), for the last couple of years. Prior to joining DXC Technology Company, he worked for 10	Mr. Ramaswamy Sankaranarayanan Kavalapara was an existing employee of the Xchanging Solutions Limited. He has an immense experience in the field of Resourcing, HR Operations, Talent Engagement, Talent Development,Compensation models, HR systems re-engineering etc. He has 29+ years' experience in HR. Has spent 9 years with Xchanging. Started career with Wipro Infotech and worked for around 4 years. The second job was with Aditya Birla Group company for around 16 years. He has significant experience in driving multiple M&As and also has led several HR systems implementation and integrations in his career.	Ms. Kalpana Tatavarti brings diverse experience of over 20 years spanning Marketing, Sales and Leadership Development. She is Founder of Parity Consulting and Training in May 2016, a boutique diversity and inclusion firm. The firm partners with organizations in building safe and inclusive workplaces. The firm is also empaneled with the Ministry of Women and Child Development as a service provider for conducting training on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. She sits as an External Committee for organisations on their POSH Committee. Kalpana is also a certified Executive coach from the

	He has contributed significantly in the development and management of the various financial controls. He has led financial reporting integration and automation projects in various countries. He worked with companies like Lovelock & Lewes (PwC) and Dubai International Capital LLC prior to joining Xchanging 6 years back.		years at Wipro Technologies and was part of delivery and account leadership for Telecom and Manufacturing verticals & led a number of strategic customer accounts to growth. He understands the IT services business extremely well, played diverse types of roles-both in the Delivery, Sales/Solutions and P&L management for a number of customer accounts and business units at Wipro and DXC, has exposure to working with the global customers. He is well versed working with business enabling functions such as Sales, Finance, HR, etc. Passionate about customer focus, delivery excellence, new business growth and building high performance teams and leadership to scale the operations.				Coaching Foundation of India, besides being certified in psychometric instruments such as MBTI, FIRO- B, DISC and the EQi 2.0 , she is also certified in Transactional Analysis. As an Angel Investor, she invests in early stage startups. She is a founder of Manasvini, an NGO that provides interest free micro credit to women in economically disadvantaged areas of urban cities to encourage their economic/business aspirations.	
Directorships in other Public Companies (other than Xchanging Solutions Ltd.)	Nil		Nil		Nil		Nil	
Chairman/Member (Other than Xchanging Solutions Ltd.) of:	Chairman	Member	Chairman	Member	Chairman	Member	Chairman	Member
Audit Committee	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders' Grievances Committee	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Membership/ Chairmanship in Committees of Xchanging Solutions Limited	1. Stakeholders Relationship Committee- Member 2. Corporate Social Responsibility Committee-Member 3. Audit Committee-Member		Nil		Nil		1. Stakeholders Relationship Committee- Member 2. Corporate Social Responsibility Committee-Member 3. Nomination & Remuneration Committee-Member	
Number of shares held in Xchanging Solutions Limited	1		Nil		Nil		Nil	
Percentage of shareholding	NA		NA		NA		NA	

Item No. 6

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by registered post, by speed post, by electronic mode, or any other modes as may be prescribed. Further a member may request the delivery of document through any other mode by paying such fees as may be determined by the members in the Annual General Meeting.

Accordingly, the Board recommends the passing of the Special Resolution at Item No. 6 of the accompanying Notice for members approval.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested, Financially of otherwise in this resolution.

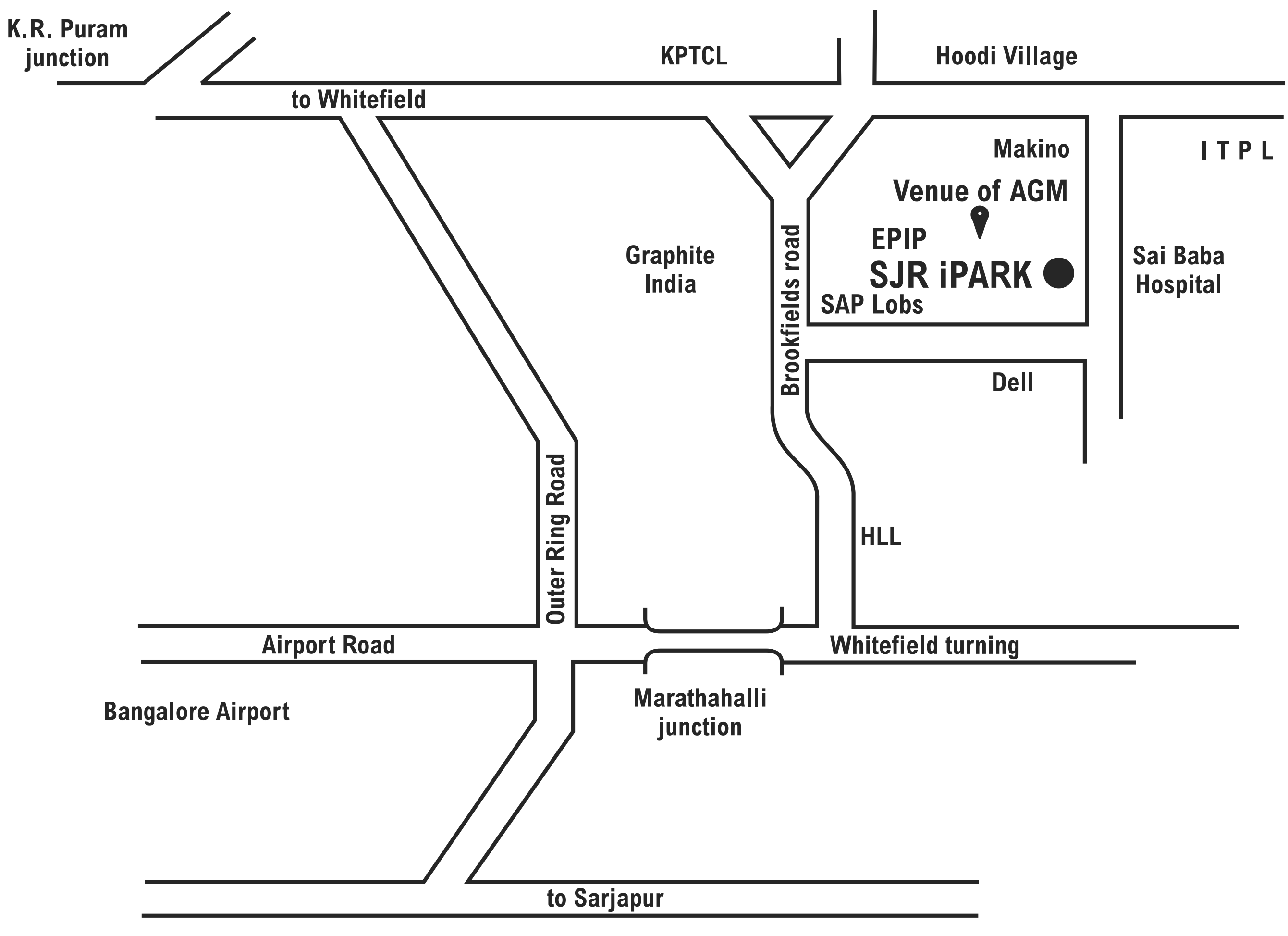
By Order of the Board of
Xchanging Solutions Limited

Place : Bangalore
Date : 9 August, 2018

Mayank Jain
Company Secretary
Membership No:- A26620

Registered office: - SJR I-Park, Plot No. 13, 14, 15, EPIP Industrial Area, Phase I, Whitefield, Bangalore 560066, Karnataka, India

Route Map of Venue



XCHANGING SOLUTIONS LIMITED

CIN:L72200KA2002PLC030072
Regd. Office: SJR I-Park, Plot No. 13, 14, 15,
EPIP Industrial Area, Phase I, Whitefield, Bangalore-560 066.
Tel.: +91 80 3054 0000; Fax: +91 80 4115 7394
Email: compliance@xchanging.com, Website: www.xchanging.com

Proxy Form

(Pursuant to Section 105(6) of the Companies Act 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the Member(s)	:
Registered Address	:
Email Id :	
Folio No. / Client ID	:
DP ID No.	:

I/We, being the member(s) of .... shares of the above named Company, hereby appoint:

(1) Name: ....
Address: ....
E-mail Id: .... Signature: ...., or failing him;

(2) Name: ....
Address: ....
E-mail Id: .... Signature: ...., or failing him;

(3) Name: ....
Address: ....
E-mail Id: .... Signature: ...., or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th Annual General Meeting of the Company, to be held on Wednesday, the 26 September 2018 at 10:00 am at SJR I-Park, Plot No. 13, 14, 15, EPIP Industrial Area, Phase I, Whitefield, Bangalore 560066 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	No. of Shares held	For	Against
1. To receive, consider and adopt audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31 March 2018 and the Reports of the Board of Directors and Auditors thereon.			
2. To consider and approve appointment & remuneration of Mr. Shrenik Kumar Champalal as Whole Time Director of the Company.			
3. To consider and approve appointment & remuneration of Mr. Chandrasekhara Rao Boddoju as Managing Director of the Company.			
4. To consider and approve appointment & remuneration of Mr. Ramaswamy Sankaranarayanan Kavalapara as Managing Director (Interim) of the Company.			
5. To consider and approve appointment of Ms. Gidugu Kalpana Tatavarti as Non-Executive Director of the Company.			
6. To consider and determine the fees for delivery of any document through a particular mode of delivery to a member.			

Signed this .... day of 2018

Affix Rs. 1/- Revenue Stamp

Signature of Shareholder .... Signature of Proxy holder(s) ....

Note: The Proxy Form in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the Meeting.

Shareholder Information

XCHANGING SOLUTIONS LIMITED
SJR I-Park, Plot No. 13, 14, 15.
EPIP Industrial Area, Phase I
Whitefield, Bangalore 560066
Tel +9180 30540000
Fax +9180 41157394

For Corporate reports and Company News,
visit our website at: http://www.xchanging.com/investor-relations/xsl-content

STATUTORY AUDITORS
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TNagar, Chennai, 600017, India

COMPLIANCE CONTACT:
Compliance Officer
Tel +91 803054000
Fax +91 8041157394
E-mail: compliance@xchanging.com

Listed on the following stock exchanges (Ticker Symbol: XCHANGING)
BSE (Bombay Stock Exchange)
NSE (National Stock Exchange of India Limited)

The Company got delisted from Madras Stock Exchange and Ahmedabad Stock Exchanges.

Safe Harbor Statement

Certain statements in this document are forward looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services, including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns in fixed price, fixed time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, etc. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.