



INDEPENDENT AUDITORS' REPORT

To The Members of Xchanging Solutions (Singapore) Pte Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Xchanging Solutions (Singapore) Pte Ltd** ("the company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss, the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards referred to sub-section (1) of section 129 and section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and cash flows for the year ended on that date.

Basis for Opinion

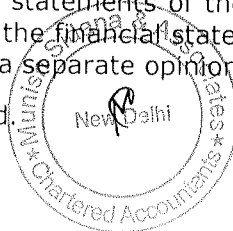
We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no key audit matters identified.



Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards referred to sub-section (1) of section 129 and 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

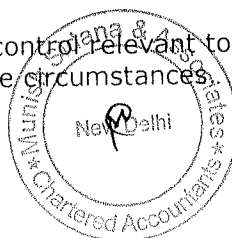
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

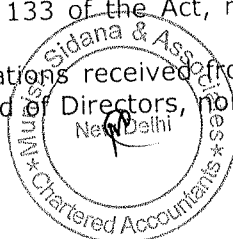
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by Section 143 (3) of the Act, 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 appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as



on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

f) 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, in our opinion and to the best of our information and according to the explanations given to us;

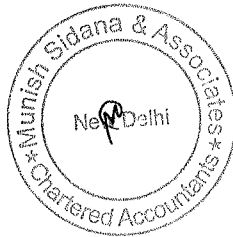
- (i) The Company does not have any pending litigations which would impact its financial position;
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

2. This Report has been furnished for the purpose of complying with Sec 129 and other applicable sections of Companies Act, 2013. It is not to be used for any other purpose or distributed to any other authority.

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana

Munish Sidana
Prop.
M. No. 099005
FRN: 020294N
Place: New Delhi
Date: May 21, 2019



Xchanging Solutions (Singapore) Pte Ltd

Balance Sheet as at March 31, 2019

	Notes	As At		As At	
		Mar 31, 2019 SGD	Mar 31, 2019 INR	Mar 31, 2018 SGD	Mar 31, 2018 INR
ASSETS					
Non-current Assets					
Fixed assets					
Property, plant and equipment	4	14,715	751,083	21,380	1,062,938
Financial assets					
Non-current investments	5	117,700	6,007,828	117,700	5,851,644
Other financial assets	6	20,000	1,020,871	76,856	3,821,019
Total Non-current Assets		152,415	7,779,782	215,936	10,735,601
Current assets					
Financial assets					
Trade receivables	7	2,438,722	124,481,062	2,549,238	126,739,462
Cash and cash equivalents	8	6,609,636	337,379,395	3,089,752	153,611,974
Other financial assets	6	1,658,541	84,657,878	3,564,177	177,198,754
Total Current Assets		10,706,899	546,518,335	9,203,167	457,550,190
Total Assets		10,859,314	554,298,117	9,419,103	468,285,791
EQUITIES AND LIABILITIES					
Shareholders' Funds					
Share capital	9	2,300,000	117,400,211	2,300,000	114,348,180
Reserves and surplus	9	5,734,017	292,684,706	3,711,126	184,504,581
Total Equity		8,034,017	410,084,917	6,011,126	298,852,761
Current liabilities					
Financial liabilities					
Trade payables	11	2,145,719	109,525,136	2,084,766	103,647,468
Other financial liabilities	12	-	-	589,661	29,315,953
Other current liabilities	13	353,849	18,061,701	521,873	25,945,726
Current tax liabilities (net)	14	325,729	16,626,363	211,677	10,523,883
Total Current Liabilities		2,825,297	144,213,200	3,407,977	169,433,030
Total Equity and Liabilities		10,859,314	554,298,117	9,419,103	468,285,791

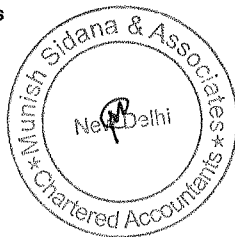
See accompanying notes forming part of the financial statements

In terms of our report attached

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana

Munish Sidana
Prop.
M. No. 099005
FRN: 020294N



Place: New Delhi

Date: May 21, 2019

For and on behalf of the Board of Directors of
Xchanging Solutions (Singapore) Pte Ltd

M. P. S.

Director

Xchanging Solutions (Singapore) Pte Ltd

Statement of Profit and Loss for the 12 months period ended March 31, 2019

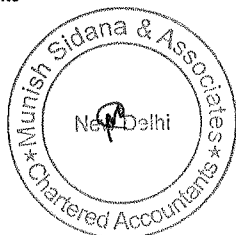
	Notes	For the 12 Month Period Ended		For the 12 Month Period Ended	
		Mar 31, 2019	Mar 31, 2019	Mar 31, 2018	Mar 31, 2018
		SGD	INR	SGD	INR
Revenue					
Revenues from operation	15	10,661,997	544,226,415	10,441,546	519,118,180
Other income	16	432,392	22,070,807	359,066	17,851,533
Total revenue		11,094,389	566,297,222	10,800,612	536,969,713
Expenses					
Employee costs	17	4,787,357	244,363,799	6,272,552	311,849,943
Other operating costs	18	3,894,715	198,800,139	3,085,189	153,385,111
Depreciation and amortisation	19	18,445	941,514	27,925	1,388,339
Total expenses		8,700,517	444,105,452	9,385,666	466,623,393
Profit for the year before tax		2,393,872	122,191,769	1,414,946	70,346,320
Tax expense		370,981	18,936,198	200,962	9,991,147
Profit/(loss) for the year after tax		2,022,891	103,255,572	1,213,984	60,355,173
Earnings per share [Ordinary shares, par value SGD 1 each]					
Basic and Diluted		0.88	44.89	0.53	26.24
Weighted average number of ordinary shares used in computing earning per share					
Basic and Diluted		2,300,000	2,300,000	2,300,000	2,300,000

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana
Munish Sidana
Prop.
M. No. 099005
FRN: 020294N



Place: New Delhi

Date: May 21, 2019

For and on behalf of the Board of Directors of
Xchanging Solutions (Singapore) Pte Ltd

M. P. Raju
Director

Xchanging Solutions (Singapore) Pte Ltd

Cash Flow Statement for the year ended March 31, 2019

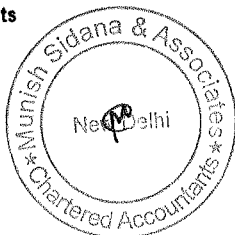
	For the 12 Month Period Ended		For the 12 Month Period Ended	
	Mar 31, 2019	Mar 31, 2019	Mar 31, 2018	Mar 31, 2018
	SGD	INR	SGD	INR
A. Cash flow from operating activities				
Profit/(loss) for the year after tax	2,022,891	103,255,572	1,213,984	60,355,173
Adjustments for:				
Depreciation	18,445	941,514	27,925	1,388,339
Tax expense	370,981	18,936,198	200,962	9,991,147
Interest	11,809	602,776	4,916	244,399
Provision for doubtful debts	-	-	-	-
Operating profit before working capital changes	2,424,126	123,736,060	1,447,787	71,979,058
Movements in working capital :				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables and Other Loan & Advances	117,267	5,985,702	1,568,491	77,980,039
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	60,953	3,111,245	(1,097,390)	(54,558,514)
Other financial liabilities and other liabilities	(168,024)	(8,576,534)	(847,000)	(42,109,945)
Taxes paid (net of refunds)	(256,930)	(13,114,606)	10,716	532,739
Loans & other financial assets and other assets	1,244,864	63,542,278	190,776	9,484,740
Net cash (used) Surplus in operating activities	3,422,256	174,684,145	1,273,380	63,308,117
Direct taxes paid (net of refunds)				-
Net cash used in operating activities (A)	3,422,256	174,684,145	1,273,380	63,308,117
B. Cash flows from investing activities				
Purchase of fixed assets	(11,780)	(601,293.25)	(4,512)	(224,329)
Net cash used in investing activities (B)	(11,780)	(601,293)	(4,512)	(224,329)
C. Cash flows from financing activities				
Repayment of Long-term borrowings	(589,661)	(30,098,415)	(37,588)	(1,868,753)
Proceeds from Bank Deposits	710,878	36,285,748	203,364	10,110,583
Interest Received	(11,809)	(602,776)	(4,916)	(244,399)
Net cash from financing activities (C)	109,408	5,584,557	160,860	7,997,431
Net increase in cash and cash equivalents (A + B + C)	3,519,883	179,667,409	1,429,728	71,081,219
Cash and cash equivalents at the beginning of the year	3,089,752	157,711,983	1,660,024	82,530,755
Cash and cash equivalents at the end of the period	6,609,635	337,379,391	3,089,752	153,611,974
Components of cash and cash equivalents				
Cash on hand	-	-	-	-
Balances with banks				
- in Current Account	6,609,636	337,379,395	3,089,752	153,611,974
	6,609,636	337,379,395	3,089,752	153,611,974

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana
Prop.
M. No. 099005
FRN: 020294N



For and on behalf of the Board of Directors of
Xchanging Solutions (Singapore) Pte Ltd

[Signature]
Director

Place: New Delhi

Date: May 21, 2019

Xchanging Solutions (Singapore) Pte Ltd

Notes Forming Part of the Financial Statement

10. Statement of Changes in Equity for the Year ended March 31, 2019

a EQUITY SHARE CAPITAL	SGD	INR
Balance at April 1, 2017	2,300,000	107,286,476
Changes in equity share capital during the year	-	-
Exchange rate movement	-	7,061,704
Balance at March 31, 2018	2,300,000	114,348,180
Changes in equity share capital during the year	-	-
Exchange rate movement	-	3,052,031
Balance at March 31, 2019	2,300,000	117,400,211

b OTHER EQUITY

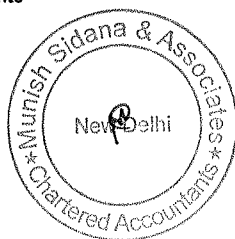
Particulars	Reserves & Surplus			Total other equity
	Retained earnings (SGD)	Total other equity (SGD)	Retained earnings (INR)	Total other equity (INR)
Balance as of April 1, 2017	2,497,142	2,497,142	117,087,708	117,087,708
Profit/(Loss) for the year	1,213,984	1,213,984	60,355,173	60,355,173
Exchange rate movement	-	-	7,061,704	7,061,704
Balance as of March 31, 2018	3,711,126	3,711,126	184,504,585	184,504,585

Particulars	Reserves & Surplus			Total other equity
	Retained earnings (SGD)	Total other equity (SGD)	Retained earnings (INR)	Total other equity (INR)
Balance as of April 1, 2018	3,711,126	3,711,126	184,504,585	184,504,585
Profit/(Loss) for the year	2,022,891	2,022,891	103,255,572	103,255,572
Exchange rate movement	-	-	4,924,549	4,924,549
Balance as of March 31, 2019	5,734,017	5,734,017	292,684,706	292,684,706

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana
Prop.
M. No. 099005
FRN: 020294N



Place: New Delhi

Date: May 21, 2019

For and on behalf of the Board of Directors of
Xchanging Solutions (Singapore) Pte Ltd

[Signature]
Director

Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

1. Background

Xchanging Solutions (Singapore) Pte Ltd ('Xchanging Singapore' or 'the Company') is a private Limited Company was incorporated in Singapore and has a branch in Japan. The Company is engaged in the Business of rendering software development and related services. The Company is a wholly owned subsidiary of Xchanging Solutions Ltd, (XSL or the Holding Company) with effect from March 31, 2004.

2. Basis of preparation

- a) The financial statements of the Company have been prepared in accordance with IND-AS's notified under the Companies (Indian Accounting Standard) Rules, 2015. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
- b) The functional currency of the Company is Singapore Dollar ("SGD") and the reporting currency of the financial statement is Indian Rupee ("INR").
- c) For the convenience of readers, the Balance Sheet as at March 31, 2019 and the Profit & Loss Account and the Cash Flow for the year ended at that date have been translated into INR at the Exchange rate of 1 SGD = INR 51.0436 and the Balance Sheet as at March 31, 2018 and the Profit & Loss Account and the Cash Flow for the year ended on that date have been translated into INR at the Exchange rate of 1 SGD = INR 49.7166. The convenience translation should not be construed as a representation that the SGD amounts or INR amounts referred to in these financial statements have been, could have been, or could in the future be, converted into INR or SGD as the case may be, at this or at any other rate of exchange or at all. Wherever movement schedule is provided in the financial statement, the opening balance are converted at SGD 1= INR 51.0436 for March 31, 2019 and at the exchange rate of SGD 1=INR 49.7166 for March 31, 2018.

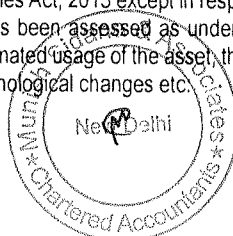
3. Summary of Significant Accounting Policies

3.1 Use of estimates

The preparation of the financial statements in conformity with IND-AS's 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.

3.2 Property, plant & equipment and depreciation

- (i) Tangible assets 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.
The carrying amounts are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.
- (ii) 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
- (iii) Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.
Depreciation on tangible fixed assets 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.



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

	Years
Computers	3
Vehicles	2-5
Office equipment	5
Furniture and fixtures	5

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

3.3 Intangible Assets and Amortisation

Intangible assets are stated at cost of acquisition less accumulated depreciation 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. Intangible assets comprises of Computer Software, Goodwill, Software license rights and Product development costs. 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.

- (vi) Computer softwares which are held for use in business / administrative purposes are amortised over an estimated useful life of two years.
- (vii) Software License Rights purchased are amortized over their estimated useful life ranging from one to four years.
- (viii) 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.

3.4 Leases

Finance lease

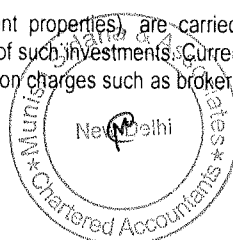
Assets acquired under lease where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Lease management fees, legal charges and other initial direct costs are capitalised.

Operating lease

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognised as an expense in the Profit and Loss Account on a straight line basis over the lease term. Operating leases, which are renewed, after the primary lease period and have not been opted for transfer of ownership, are reclassified to finance lease prospectively.

3.5 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.



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

3.6 Impairment of assets

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.

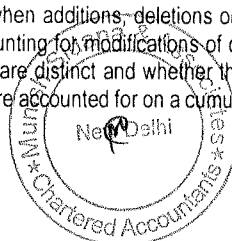
When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged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

3.7 Revenue recognition

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed on or before March 31, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant on the financial statements.

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. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Arrangements with customers for software related services are either on a fixed-price or on a time-and-material basis.

- (i) Revenue on time-and-material contracts are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.
- (ii) In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.
- (iii) Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

- (iv) Revenue from licenses where the customer obtains a "right to use" the licenses is recognised at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognised over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Maintenance Services (AMS). The Company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognised using the percentage-of-completion method as the implementation is performed. Revenue from support and other services arising due to the sale of software products is recognised as the performance obligations are satisfied. AMS revenue is recognised ratably over the period in which the services are rendered.
- (v) 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.
- (vi) 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.
- (vii) Unbilled revenue represents costs and earnings in excess of billings as at the balance sheet date.

3.8 Foreign currency transactions

(i) 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.

(ii) 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.

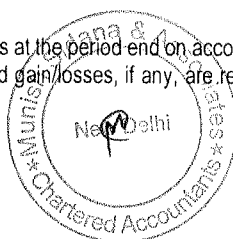
All monetary assets and liabilities in foreign currency are restated at the end of accounting period other than those monetary assets which are provided for being doubtful of recovery.

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

(iii) 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.

- (iv) Forward exchange contracts outstanding as at the period end on account of firm commitment / highly probable forecast transactions are marked to market and gain/losses, if any, are recognised in the Statement of Profit and Loss and gains.



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Notes forming part of the financial statements

3.9 Employee benefits

Retirement benefits to employees comprise of leave encashment. Short term compensated absences are provided for based on estimates.

3.10 Taxes on Income

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

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 Holding 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.

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.

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.

3.11 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.

3.12 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



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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.

3.13 Segment reporting

Identification of segments: The Company's operating businesses are organised and managed separately according to the nature of services rendered. The analysis of geographical segments is based on the geographical location of the Company's customer.

Inter segment transfers: The Company generally accounts for inter segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs: Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items: The unallocated items include general corporate income and expense items which are not allocated to any business segment.

3.14 Project work expenses

Project work expenses represents amounts charged by sub-contractors and cost of hardware and software incurred for execution of projects. These expenses are recognised on an accrual basis.

3.15 Cash and cash equivalents

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.

3.16 Cash flow statement

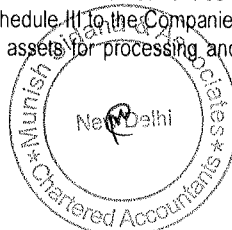
Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing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

3.17 Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

3.18 Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Holding 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



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equivalents, the Holding Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

3.19 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company accounting policies described above, the management of the Company are 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. However, there are no areas of estimation uncertainty and critical judgements that the management has 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.

3.20 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.

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.

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.

All other financial assets are subsequently measured at fair value.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement 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 Holding Company 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.

Impairment of financial assets

In accordance with Ind AS 109, the Holding 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 Holding Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Holding 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 Holding Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased



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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 Holding 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 Holding Company 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 Holding Company 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.

Derecognition of financial assets

The Holding 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 Holding Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Holding Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Holding Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Holding 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.

3.21 Financial liabilities

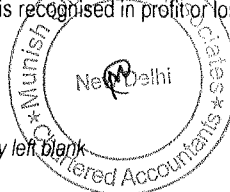
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest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

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTP.

Derecognition of financial liabilities

The Holding Company derecognises financial liabilities when, and only when, the Holding 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.

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Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

3.21 Financial instruments

3.21.01 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholder through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus fund into various investment options. The Company does not have debts and meets its capital requirement through equity and support from holding Company.

The Company is not subject to any external imposed capital requirements

The Company reviews the capital nature of the Company on regular basis. As part of this review, the Company considers the cost of capital and the risks associated with each class of capital.

3.21.02 Disclosure and Categories of financial instruments

This section provides additional information on balance sheet items that contain financial instruments:-

3.21.03 Categories of financial instruments

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets		
<u>Measured at amortised cost</u>		
(a) Cash and bank balances	6,609,636	3,089,752
(b) Bank balances other than above		
(c) Other financial assets at amortised cost	4,234,963	6,307,971
Financial liabilities		
<u>Measured at amortised cost</u>		
Trade Payable	2,145,719	2,084,766
Other financial liability at amortised cost	-	589,661

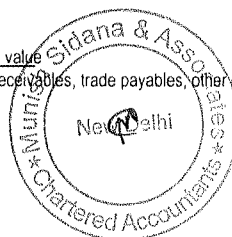
3.21.04 Fair value hierarchy

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.

There are no financial Assets and Liabilities measured at fair value.

Fair value of financial assets and financial liabilities that are not measured at fair value

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



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

3.22 Financials risk management objectives

The Company's management monitors and manage the financial risks relating to the operations of the Company These risks includes liquidity risk

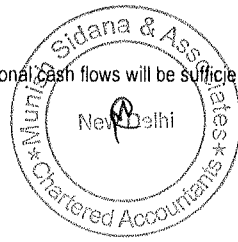
Liquidity risk

(Amount in SGD)

As at March 31, 2019	Less than 1 yrs	1 to 5 yrs	>5 Yrs	Total
Trade Payables	2,145,719			2,145,719
Other Financials liabilities	-			-

As at March 31, 2018	Less than 1 yrs	1 to 5 yrs	>5 Yrs	Total
Trade Payables	2,084,766			2,084,766
Other Financials liabilities	589,661			589,661

The Parent Company's financial support and operational cash flows will be sufficient to dispose the financial liabilities with in the maturity perio



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

(All amounts in SGD unless otherwise stated)

4 PROPERTY, PLANT & EQUIPMENT

(Owned unless specified)

Carrying amounts of:

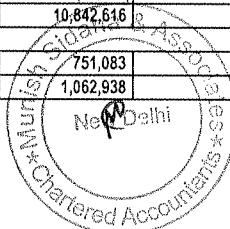
	SGD As at 31-Mar-19	INR As at 31-Mar-19	SGD As at March 31, 2018	INR As at March 31, 2018
Leasehold Improvements	-	-	-	-
Computers	14,715	751,083	21,380	1,062,938
Vehicles	-	-	-	-
Office Equipment	-	-	-	-
Furniture and Fittings	-	-	-	-
	14,715	751,083	21,380	1,062,938

**All figures are in SGD*

Particulars	Leasehold Improvements	Computers	Vehicles	Office Equipment	Furniture and Fittings	Total
Gross carrying value						
Balance as at April 1, 2017	1,150,381	885,089	-	105,379	49,548	2,190,397
Additions	-	4,512	-	-	-	4,512
Disposals	(1,150,381)	(688,500)	-	(88,300)	(49,548)	(1,956,729)
Balance as at March 31, 2018	-	221,101	-	17,079	-	238,180
Additions	-	11,780	-	-	-	11,780
Disposals	-	-	-	-	-	-
Balance as at March 31, 2019	-	232,881	-	17,079	-	249,960
Accumulated depreciation						
Balance as at April 1, 2017	1,150,381	841,123	-	100,816	49,388	2,141,709
Depreciation expense	-	26,715	-	1,051	160	27,925
Eliminated on disposals of assets	(1,150,381)	(688,117)	-	(84,788)	(49,548)	(1,952,834)
Balance as at March 31, 2018	-	199,721	-	17,079	-	216,800
Depreciation expense	-	18,445	-	-	-	18,445
Eliminated on disposals of assets	-	-	-	-	-	-
Balance as at March 31, 2019	-	218,166	-	17,079	-	235,245
Net carrying value as at March 31, 2019	-	14,715	-	-	-	14,715
Net carrying value as at March 31, 2018	-	21,380	-	-	-	21,380

**All figures are in INR*

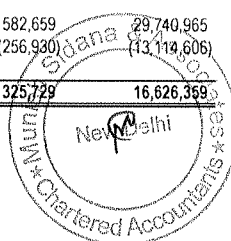
Particulars	Leasehold Improvements	Computers	Vehicles	Office Equipment	Furniture and Fittings	Total
Gross carrying value						
Balance as at April 1, 2017	53,661,000	41,286,119	-	4,915,560	2,311,247	102,173,926
Additions	-	224,329	-	-	-	224,329
Disposals	(57,193,021)	(33,235,537)	-	(4,389,997)	(2,463,376)	(97,281,930)
Exchange rate movement	3,532,021	2,717,494	-	323,547	152,129	6,725,191
Balance as at March 31, 2018	-	10,992,405	-	849,110	-	11,841,515
Additions	-	601,293	-	-	-	601,293
Disposals	-	-	-	-	-	-
Exchange rate movement	-	-	-	-	-	-
Balance as at March 31, 2019	-	11,593,698	-	849,110	-	12,442,808
Accumulated depreciation						
Balance as at April 1, 2017	53,660,999	39,235,287	-	4,702,715	2,303,783	99,902,786
Depreciation expense	-	1,328,157	-	52,227	7,955	1,388,339
Eliminated on disposals of assets	(57,193,021)	(33,216,483)	-	(4,215,370)	(2,463,375)	(97,088,249)
Exchange rate movement	3,532,021	2,582,506	-	309,537	151,637	6,575,702
Balance as at March 31, 2018	-	9,929,467	-	849,110	-	10,778,577
Depreciation expense	-	941,514	-	-	-	941,514
Eliminated on disposals of assets	-	-	-	-	-	-
Exchange rate movement	-	(28,366)	-	-	-	(28,366)
Balance as at March 31, 2019	-	10,842,616	-	849,110	-	11,691,726
Net carrying value as at March 31, 2019	-	751,083	-	-	-	751,083
Net carrying value as at March 31, 2018	-	1,062,938	-	-	-	1,062,938



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

	As At Mar 31, 2019	As At Mar 31, 2019	As At Mar 31, 2018	As At Mar 31, 2018
	SGD	INR	SGD	INR
5 Non Current Investments				
<i>(Unquoted, at cost, fully paid-up)</i>				
In Subsidiary companies (Long term):				
in Xchanging Solutions (Malaysia) -Sdn Bhd				
250,000 (2015: 250,000) Equity Shares of RM 1 each	117,700	6,007,828	117,700	5,851,644
	<u>117,700</u>	<u>6,007,828</u>	<u>117,700</u>	<u>5,851,644</u>
6 Other financial assets				
Non-Current				
<i>Unsecured considered good, unless otherwise stated</i>				
Security deposits	20,000	1,020,871	76,856	3,821,019
	<u>20,000</u>	<u>1,020,871</u>	<u>76,856</u>	<u>3,821,019</u>
Current				
<i>Unsecured considered good, unless otherwise stated</i>				
Security deposits	-	-	654,022	32,515,748
Prepaid expenses	5,605	286,117	22,409	1,114,099
Other Loans and Advances	10,054	513,179	-	-
Unbilled Revenue	1,642,882	83,858,582	2,887,746	143,568,907
Others	-	-	-	-
	<u>1,658,541</u>	<u>84,657,878</u>	<u>3,564,177</u>	<u>177,198,754</u>
7 Trade receivable				
Unsecured, considered good	2,438,722	124,481,062	2,549,238	126,739,462
Unsecured, considered doubtful	-	-	823	40,915
	<u>2,438,722</u>	<u>124,481,062</u>	<u>2,550,061</u>	<u>126,780,377</u>
(Less): Provision for doubtful debts	-	-	(823)	(40,915)
	<u>2,438,722</u>	<u>124,481,062</u>	<u>2,549,238</u>	<u>126,739,462</u>
8 Cash and cash equivalents				
Cash on Hand	-	-	-	-
Balances with Banks				
- in Current Accounts	6,390,567	326,197,339	3,089,752	153,611,974
Other Bank Balanc				
- Long Term Deposit with maturity more than 3 months but less than 12 months	219,069	11,182,056	-	-
	<u>6,609,636</u>	<u>337,379,395</u>	<u>3,089,752</u>	<u>153,611,974</u>
11 Trade Payable				
Due to:				
Holding company	-	-	-	-
Subsidiary	-	-	-	-
Fellow Subsidiaries	-	-	-	-
Other related parties	888,240	45,338,930	192,190	9,555,031
Others	1,257,479	64,186,206	1,892,576	94,092,437
	<u>2,145,719</u>	<u>109,525,136</u>	<u>2,084,766</u>	<u>103,647,468</u>
12 Other financial liabilities				
Fellow Subsidiaries				
Xchanging Solutions (USA) Inc	-	-	589,661	29,315,953
	<u>-</u>	<u>-</u>	<u>589,661</u>	<u>29,315,953</u>
13 Other current liabilities				
Deferred Revenue	43,729	2,232,089	82,421	4,097,702
Statutory dues	310,120	15,829,612	439,451	21,848,024
	<u>353,849</u>	<u>18,061,701</u>	<u>521,872</u>	<u>25,945,726</u>
14 Current tax liabilities (net)				
Provision for Taxation	582,659	29,740,965	211,677	10,523,883
(Less): Advance Income tax	(256,930)	(13,114,606)	-	-
	<u>325,729</u>	<u>16,626,359</u>	<u>211,677</u>	<u>10,523,883</u>



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

9 Share Capital	As At	As At	As At	As At
	Mar 31, 2019	Mar 31, 2019	Mar 31, 2018	Mar 31, 2018
	SGD	INR	SGD	INR
Authorised capital:				
5,000,000 (2015: 5,000,000) ordinary shares of SGD 1 each	5,000,000	255,217,850	5,000,000	248,583,000
Issued, subscribed and paid up capital:				
2,300,000 (2015: 2,300,000) ordinary shares of SGD 1 each full paid up	2,300,000	117,400,211	2,300,000	114,348,180
	2,300,000	117,400,211	2,300,000	114,348,180

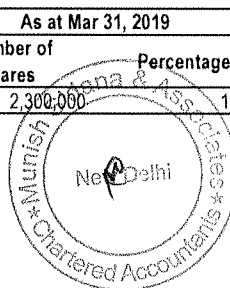
(i) Reconciliation of number of shares

Equity Shares

	As at Mar 31, 2019		As at Mar 31, 2018	
	Number of Shares	Amount (SGD)	Number of Shares	Amount (SGD)
Shares outstanding at the beginning of the period	2,300,000	2,300,000	2,300,000	2,300,000
Add / (Less): Movement during the period	-	-	-	-
Shares outstanding at the end of the period	2,300,000	2,300,000	2,300,000	2,300,000

(ii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at Mar 31, 2019		As at Mar 31, 2018	
	Number of Shares	Percentage	Number of Shares	Percentage
Xchanging Solution Limited, India	2,300,000	100%	2,300,000	100%



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

	For the 12 Month Period Ended		For the 12 Month Period Ended	
	Mar 31, 2019	Mar 31, 2019	Mar 31, 2018	Mar 31, 2018
	SGD	INR	SGD	INR
15 Revenue from operations				
Revenue from Software Development and related services	10,661,997	544,226,415	10,441,546	519,118,180
	<u>10,661,997</u>	<u>544,226,415</u>	<u>10,441,546</u>	<u>519,118,180</u>
16 Other income				
Interest Income	11,809	602,776	4,916	244,399
Other provisions no longer required written back	38,923	1,986,769	318,136	15,816,641
Liabilities no longer required written back	362,749	18,515,979	-	-
Net Exchange Gain	8,561	436,963	-	-
Miscellaneous Income	10,350	528,320	36,014	1,790,493
	<u>432,392</u>	<u>22,070,807</u>	<u>359,066</u>	<u>17,851,533</u>
17 Employee benefit expenses				
Salaries, Allowances and Bonus	4,533,169	231,389,126	5,931,560	294,897,010
Contribution to Provident Fund (refer note (i) below)	251,087	12,816,365	328,824	16,348,006
Staff Welfare	3,101	158,308	12,168	604,927
	<u>4,787,357</u>	<u>244,363,799</u>	<u>6,272,552</u>	<u>311,849,943</u>

(i) The Company makes contribution to the Central Provident Fund in Singapore

18 Other operating costs				
Rent	93,000	4,747,052	116,043	5,769,244
Project Work Expenses	3,509,983	179,162,076	2,087,103	103,763,654
Communication	77,500	3,955,856	85,081	4,229,939
Travel	52,790	2,694,573	171,623	8,532,511
Power and Fuel	-	-	8,528	423,972
Insurance	67,141	3,427,111	80,258	3,990,173
Recruitment and Relocation	22,584	1,152,754	78,402	3,897,891
Repairs and Maintenance				
- Computer Equipment	13,724	700,538	60,187	2,992,297
- Buildings	-	-	79,337	3,944,347
- Others	-	-	103,093	5,125,457
Legal and Professional	27,953	1,426,846	82,463	4,099,779
Printing & Stationery	760	38,788	7,694	382,523
Business Promotion	4,163	212,479	604	30,014
Net Exchange Loss	-	-	86,203	4,285,720
Bank charges	8,960	457,334	14,996	745,565
Miscellaneous Expenses	16,157	824,732	23,574	1,172,025
	<u>3,894,715</u>	<u>198,800,139</u>	<u>3,085,189</u>	<u>153,385,111</u>
19 Depreciation and amortisation				
Depreciation on Property, plant and equipment	18,445	941,514	27,925	1,388,339
	<u>18,445</u>	<u>941,514</u>	<u>27,925</u>	<u>1,388,339</u>

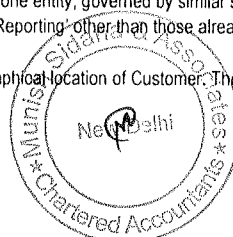
20 Contingent Liabilities and commitment

	As at		As at	
	Mar 31, 2019	Mar 31, 2019	Mar 31, 2018	Mar 31, 2018
	SGD	INR	SGD	INR
Contingent liabilities	Nil	Nil	Nil	Nil
Capital commitment	Nil	Nil	Nil	Nil

21 Segment reporting

The Company's business activity is organised within a single business and geographical segment. The Company renders software development and related services to its customers in South East Asia region and is managed as one entity, governed by similar set of risks and returns. Accordingly, there are no additional disclosures to be provided under Accounting Standard 17 – Segment Reporting other than those already provided in financial statements.

Secondary segmental reporting is performed on the basis of the geographical location of Customer. The Company services in South East Asia geographical segment.



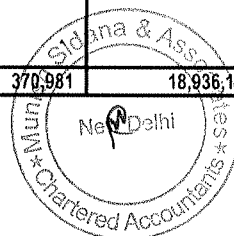
Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

Particulars	In SGD		In INR	
	For the Year ended March 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2018
Current tax				
In respect of the current year/period	370,981	18,936,198	200,962	9,991,147
Deferred tax				
In respect of the current year/period	-	-	-	-
Total income tax expense recognised in the current year/period relating to continuing operations	-	-	-	-

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	In SGD		In INR	
	For the Year ended March 31, 2018	For the Year ended March 31, 2018	For the Year ended March 31, 2018	For the Year ended March 31, 2018
Profit/ (loss) before tax from continuing operations	2,393,872	122,191,769	1,414,946	70,346,320
Income tax expense calculated at 17 % (after other allowances and deductions)	370,981	18,936,198	200,962	9,991,147
Effect of unused tax losses and tax offset not recognised as deferred tax assets	-	-	-	-
Income tax expense recognised in profit or loss	370,981	18,936,198	200,962	9,991,147

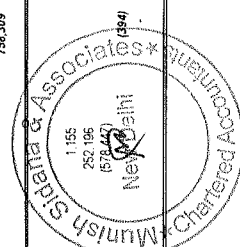


Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

ZZ Related Party Disclosures

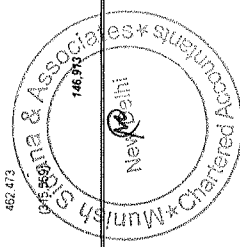
S No.	Name of the related party	Relationship	Nature of transaction	Transactions		Receivable / (Payable)		Transactions		Receivable / (Payable)		Transactions		Receivable / (Payable)	
				For the 12 Month Period Ended Mar 31, 2019	SGD	As At Mar 31, 2019	INR	For the 12 Month Period Ended Mar 31, 2018	SGD	As At Mar 31, 2018	INR	For the 12 Month Period Ended Mar 31, 2018	SGD	As At Mar 31, 2018	INR
(i)	Xchanging Solutions Ltd, India	Holding Company	Revenue from software development & related services Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables at the end of the year	22,710 (12,367)		1,158,196 (641,467)		4,740 (101,214)		12,367		235,653 (5,034,976)		624,510	
(ii)	Xchanging Solutions (USA) Inc.	Fellow Subsidiary	Revenue from software development & related services Expenses reimbursed / incurred to / for related party Payments made / received Loans & Advances at the end of the year Trade Payables at the end of the year	- 589,661		- 30,098,415		44,296 86,651		(589,661)		2,202,259 4,307,986		(29,315,963)	
(iii)	Xchanging Technology Services India Pvt.Ltd.	Fellow Subsidiary	Revenue from software development & related services Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables at the end of the year Trade Payables at the end of the year	(126,655) 121,742		(6,464,933) 6,214,130		(47,538) 209,107		1,009 (17,088)		(2,363,411) 10,396,078		49,717 (352,366)	
(iv)	Xchanging Solutions (Malaysia) Sdn Bhd	Subsidiary	Dividend Received Expenses reimbursed / incurred to / for related party Payments made / received Trade Payables at the end of the year Trade Receivables at the end of the year	- -		- -		(3,258) 4,021		- -		(162,026) 199,950		- -	
(v)	Xchanging Ltd	Fellow Subsidiary	Expenses reimbursed / incurred to / for related party Payments made / received Trade Payables at the end of the year Trade Receivables at the end of the year	- -		- -		3,546 122,152		- -		176,278 6,072,984		- -	
(vi)	Xchanging Global Insurance Services Ltd.	Fellow Subsidiary	Expenses reimbursed / incurred to / for related party Payments made / received Trade Payables at the end of the year Trade Receivables at the end of the year	- -		- -		(24,136) (512,405)		- -		(1,199,967) (25,475,046)		- -	
(vii)	XCH Asia Pacific Sdn Bhd	Fellow Subsidiary	Revenue from software development & related services Expenses reimbursed / incurred to / for related party Payments made / received Trade Payables at the end of the year Trade Receivables at the end of the year	51,170 669,845 (1,137,378)		34,175,954 (56,055,886)		756,039		(5,484,790) 38,706,800		38,084,875		(6,824,888) 59,898,363	
(viii)	Xchanging (SEA) Pte. Ltd	Fellow Subsidiary	Revenue from software development & related services Expenses reimbursed / incurred to / for related party Payments made / received Trade Payables at the end of the year Trade Receivables at the end of the year	1,155 282,196 (578,447)		56,940 12,877,978 (28,526,010)		846,843 3,112 (888,479)		(20,090)		324,703		76,143,131	



Xchanging Solutions (Singapore) Pte Ltd
Notes forming part of the financial statements

22 Related Party Disclosures

S No.	Name of the related party	Relationship	Nature of transaction	Transactions		Receivable / (Payable)		Transactions		Receivable / (Payable)		Transactions		Receivable / (Payable)			
				For the 12 Month Period Ended Mar 31, 2019	SGD	As At Mar 31, 2019	SGD	For the 12 Month Period Ended Mar 31, 2019	INR	As At Mar 31, 2019	INR	For the 12 Month Period Ended Mar 31, 2018	SGD	As At Mar 31, 2018	SGD	For the 12 Month Period Ended Mar 31, 2018	INR
(ix)	DXC Technology Singapore Pte. Ltd.	Related Party	Revenue from software development & related services Expenses reimbursed / incurred to / for related party Payments made / received Loans & Advances at the end of the year Trade Payables at the end of the year Trade Receivables at the end of the year	1,018,148 (1,513,997) 401,127		(991,238) 551,143		51,969,867 (77,279,628) 20,474,953		365,936 47,361 (46,746)		(16,243) 70,871		2,365,580 (22,210,799)		(807,549) 3,523,443	
(x)	DXC Technology Services Vietnam Co. Ltd.	Related Party	Expenses reimbursed / incurred to / for related party Payments made / received Trade Payables at the end of the year Trade Receivables at the end of the year	(201,177) 54,607		(178,153)		(10,268,784) 2,767,336		(31,564)		(31,564)		(1,570,228)		(1,570,228)	
(xi)	E-Services Singapore Pte. Ltd	Related Party	Revenue from software development & related services Expenses reimbursed / incurred to / for related party Payments made / received Trade Payables at the end of the year Trade Receivables at the end of the year	178,056 12,512 (59,681)				9,068,600 638,671 (3,046,376)									
(xii)	CSC Japan, LLC	Related Party	Revenue from software development & related services Expenses reimbursed / incurred to / for related party Payments made / received Trade Payables at the end of the year Trade Receivables at the end of the year	12,096		12,096		617,423									
(xiii)	Ins-Sure Services Ltd.	Fellow Subsidiary	Revenue from software development & related services Expenses reimbursed / incurred to / for related party Payments made / received Trade Payables at the end of the year Trade Receivables at the end of the year	462,473 316,990 (16,107,280)				23,606,269 (16,107,280)								7,498,989	



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

23 Leases

(a) Operating Lease commitments

Rent expenses for office premises recognised in the Profit and Loss account for the period SGD 93,000 equivalent to INR 47,47,052. As per the agreement both parties have the right to immediately terminate the lease agreement.

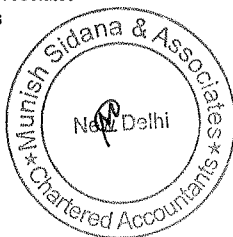
24 Prior year comparatives

The Financial statements of the previous year have been restated and reclassified where necessary to conform to the current year's presentation.

In terms of our report attached

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana
Munish Sidana
Prop.
M. No. 099005
FRN: 020294N



For and on behalf of the Board of Directors of
Xchanging Solutions (Singapore) Pte Ltd

[Handwritten Signature]
Director

Place: New Delhi

Date: *May 21, 2019*



INDEPENDENT AUDITORS' REPORT

To The Members of Xchanging Solutions (USA) Inc

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Xchanging Solutions (USA) Inc** ("the company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss, the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards referred to sub-section (1) of section 129 and section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and cash flows for the year ended on that date.

Basis for Opinion

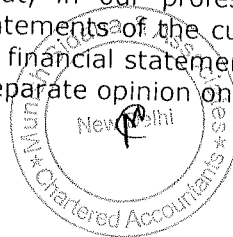
We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no key audit matters identified.



Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards referred to sub-section (1) of section 129 and 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

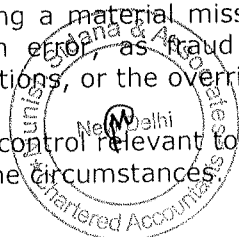
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

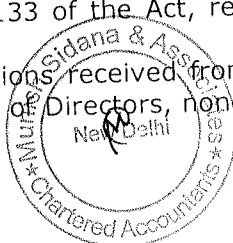
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by Section 143 (3) of the Act, 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 appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as



on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

f) 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, in our opinion and to the best of our information and according to the explanations given to us;

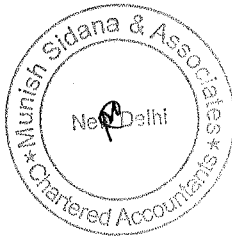
- (i) The Company does not have any pending litigations which would impact its financial position;
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

2. This Report has been furnished for the purpose of complying with Sec 129 and other applicable sections of Companies Act, 2013. It is not to be used for any other purpose or distributed to any other authority.

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana

Munish Sidana
Prop.
M. No. 099005
FRN: 020294N
Place: New Delhi
Date: May 21, 2019



Xchanging Solutions (USA) Inc.
Balance Sheet as at March 31, 2019

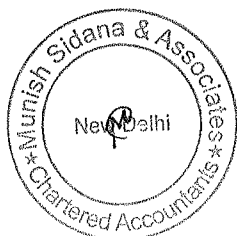
	Notes	As At Mar 31, 2019 USD	As At Mar 31, 2019 INR	As At Mar 31, 2018 USD	As At Mar 31, 2018 INR
ASSETS					
Non-current assets					
Financial assets					
Non-current investments	6	27,370	1,892,808	27,370	1,783,062
		<u>27,370</u>	<u>1,892,808</u>	<u>27,370</u>	<u>1,783,062</u>
Current assets					
Financial assets					
Trade receivables	7	1,508,153	104,298,315	1,221,303	79,563,682
Cash and cash equivalents	8	11,113,577	768,573,725	7,542,739	491,383,647
Other financial assets	9	1,180,070	81,609,263	2,215,189	144,311,991
		<u>13,801,800</u>	<u>954,481,303</u>	<u>10,979,231</u>	<u>715,259,320</u>
TOTAL		<u><u>13,829,170</u></u>	<u><u>956,374,111</u></u>	<u><u>11,006,601</u></u>	<u><u>717,042,382</u></u>
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	10	9,930,062	686,726,247	9,930,062	646,909,578
Reserves and surplus	11	(36,605,103)	(2,531,473,153)	(39,431,471)	(2,568,825,473)
Total Equity		<u>(26,675,041)</u>	<u>(1,844,746,906)</u>	<u>(29,501,409)</u>	<u>(1,921,915,895)</u>
Non-Current liabilities					
Financial liabilities					
Other financial liabilities (Long term)	12	37,929,096	2,623,035,587	37,929,096	2,470,950,910
		<u>37,929,096</u>	<u>2,623,035,587</u>	<u>37,929,096</u>	<u>2,470,950,910</u>
Current liabilities					
Financial liabilities					
Trade payables	13	2,302,181	159,210,289	2,355,979	153,483,965
Current tax liabilities (net)	14	272,935	18,875,141	222,935	14,523,402
		<u>2,575,115</u>	<u>178,085,430</u>	<u>2,578,913</u>	<u>168,007,367</u>
TOTAL		<u><u>13,829,170</u></u>	<u><u>956,374,111</u></u>	<u><u>11,006,601</u></u>	<u><u>717,042,382</u></u>

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana
Prop.
M. No. 099005
FRN: 020294N



Place: New Delhi

Date: 5/21/2019

For and on behalf of the Board of Directors of
Xchanging Solutions (USA) Inc.

Director

Xchanging Solutions (USA) Inc.

Statement of Profit and Loss for the 12 months ended March 31, 2019

	Notes	For the 12 months period ended Mar 31, 2019		For the 12 months period ended Mar 31, 2018	
		USD	INR	USD	INR
Revenue					
Revenue from operations	15	13,491,031	932,989,618	14,899,780	970,669,696
Other income	16	92,488	6,396,135	563,831	36,731,666
		<u>13,583,519</u>	<u>939,385,753</u>	<u>15,463,611</u>	<u>1,007,401,362</u>
Expenses					
Employee benefits expense	17	5,455,234	377,263,736	6,457,650	420,693,797
Other operating costs	18	5,251,917	363,203,113	5,760,111	375,251,535
Depreciation and amortisation	19	-	-	406	26,440
		<u>10,707,151</u>	<u>740,466,849</u>	<u>12,218,167</u>	<u>795,971,772</u>
Profit (Loss) before prior period, exceptional items and taxation		2,876,368	198,918,904	3,245,444	211,429,590
Exceptional items					
Profit/ (loss) before taxation		<u>2,876,368</u>	<u>198,918,904</u>	<u>3,245,444</u>	<u>211,429,590</u>
Tax expense		50,000	3,457,814.50	103,682	6,754,532
Profit/ (loss) for the period		<u>2,826,368</u>	<u>195,461,090</u>	<u>3,141,762</u>	<u>204,675,058</u>
Earnings / (loss) per share (Equity shares, par value \$1 each (2015 - \$1))					
Basic and diluted		<u>0.28</u>	<u>19.68</u>	<u>0.32</u>	<u>20.61</u>
Weighted average number of equity shares used in computing earning per share					
Basic and diluted		<u>9,930,062</u>	<u>9,930,062</u>	<u>9,930,062</u>	<u>9,930,062</u>

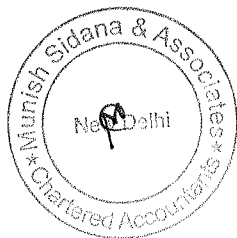
See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana

Munish Sidana
Prop.
M. No. 099005
FRN: 020294N



Place: New Delhi

Date: *5/21/2019*

For and on behalf of the Board of Directors of
Xchanging Solutions (USA) Inc.

[Signature]

Director

Xchanging Solutions (USA) Inc.

Cash Flow Statement for the 12 months period ended March 31, 2019

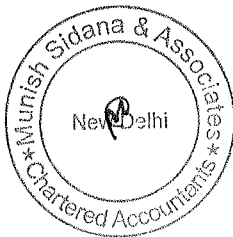
	For the 12 months period ended		For the 12 months period ended	
	Mar 31, 2019 USD	Mar 31, 2019 INR	Mar 31, 2018 USD	Mar 31, 2018 INR
A. Cash flow from operating activities				
Profit/ (loss) for the year	2,826,368	195,461,090	3,141,762	204,675,058
Adjustments for:				
Depreciation and amortisation	-	-	406	26,440
Tax expense	50,000	3,457,815	103,682	6,754,532
Foreign exchange (gain) /loss - net - unrealised	-	-	3,843	250,379
Provision for doubtful advances	-	-	-	-
Provision for bad and doubtful debts	57,942	4,007,026	35,922	2,340,177
Write back of Liabilities	92,488	6,396,135	563,831	36,731,666
Operating profit before working capital changes	3,026,798	209,322,066	3,849,446	250,778,252
Movements in working capital :				
Decrease / (Increase) in sundry debtors	(344,793)	(23,844,576)	1,339,531	87,265,852
Decrease / (Increase) in loans and advances and other financial assets	985,119	68,127,159	(192,010)	(12,508,798)
Increase / (Decrease) in current liabilities and provisions	(96,286)	(6,658,767)	(3,361,023)	(218,959,152)
Net Cash from/ (used in) operations	3,570,838	246,945,882	1,635,944	106,576,154
Income Tax(Paid) / Refund net	-	-	(59,250)	(3,859,935)
Net cash from/ (used in) Operating activities	3,570,838	246,945,882	1,576,694	102,716,219
Net increase/ (decrease) in cash and cash equivalents	3,570,838	246,945,882	1,576,694	102,716,219
Cash and cash equivalents at the beginning of the year	7,542,739	521,627,843	5,966,045	388,667,428
Cash and cash equivalents at the end of the period	11,113,577	768,573,725	7,542,739	491,383,647
Components of cash and cash equivalents:				
Cash on hand				
Balances with banks				
- in Current Account	11,113,577	768,573,725	7,542,739	491,383,647
	11,113,577	768,573,725	7,542,739	491,383,647

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana
Prop.
M. No. 099005
FRN: 020294N



For and on behalf of the Board of Directors of
Xchanging Solutions (USA) Inc.

Director

Place: New Delhi

Date: 5/21/2019

Xchanging Solutions (USA) Inc.
Notes Forming Part of the Financial Statement

12. Statement of Changes in Equity for the Year ended March 31, 2019

a EQUITY SHARE CAPITAL	USD	INR
Balance at January 1, 2017	9,930,062	645,647,766
Changes in equity share capital during the period	-	-
Exchange rate movement	-	1,261,812
Balance at March 31, 2018	9,930,062	646,909,578
Changes in equity share capital during the year	-	-
Exchange rate movement	-	39,816,669
Balance at March 31, 2019	9,930,062	686,726,247

b OTHER EQUITY

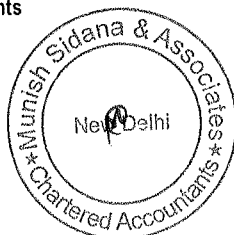
Particulars	Reserves & Surplus			Total other equity
	Retained earnings (USD)	Total other equity (USD)	Retained earnings (INR)	Total other equity (INR)
Balance as of April 1, 2017	(42,573,233)	(42,573,233)	(2,773,500,530)	(2,773,500,530)
Profit/(Loss) for the period	3,141,762	3,141,762	204,675,057	204,675,057
Recognition of share-based payments				-
Other comprehensive income for the period, net of income tax				-
Balance as of March 31, 2018	(39,431,471)	(39,431,471)	(2,768,090,747)	(2,768,090,747)

Particulars	Reserves & Surplus			Total other equity
	Retained earnings (USD)	Total other equity (USD)	Retained earnings (INR)	Total other equity
Balance as of April 1, 2018	(39,431,471)	(39,431,471)	(2,768,090,747)	(2,768,090,747)
Profit/(Loss) for the year	2,826,368	2,826,368	195,461,090	195,461,090
Exchange rate movement			41,156,504	41,156,504
Balance as of March 31, 2019	(36,605,103)	(36,605,103)	(2,531,473,153)	(2,531,473,153)

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana
Prop.
M. No. 099005
FRN: 020294N



Place: New Delhi

Date: 5/21/2019

For and on behalf of the Board of Directors of
Xchanging Solutions (USA) Inc.

Director

Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

1. Background

Xchanging Solutions (USA) Inc., (formerly Cambridge Solutions & Services Inc.,) [hereafter referred as "XSUS or the Company], was incorporated on June 29, 2001, as a Delaware Corporation. The Company is a wholly owned subsidiary of Xchanging Solutions Ltd, (XSL or the Holding Company) with effect from July 2, 2004.

2. Funding of Future Operations

As at March 31, 2019, the Company has significant accumulated losses amounting to \$ 36.61 million resulting in negative net-worth of \$ 26.68 million. These matters raise a substantial doubt that the Company will be able to continue as a going concern.

The Holding company has committed to fund the shortfall, if any. Accordingly, the financial statements have been prepared on a going concern basis and no adjustments have been made towards the realization value of the assets of the Company or the classification of assets in the balance sheet.

3. Basis of preparation

The financial statements of the Company have been prepared in accordance with IND-AS's notified under the Companies (Indian Accounting Standard) Rules, 2015. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

- a) The functional currency of the Company is United States Dollar ('USD' or '\$') and the reporting currency of the financial statements in Indian Rupee ('INR')
- b) For the convenience of the readers the balance sheet, as at March 31, 2019 and as at March 31, 2018, and the Profit and Loss account for both the periods/years have been translated into INR at the exchange rate of USD 1= INR 69.16 for March 31, 2019 and at the exchange rate of USD 1=INR 65.15 for March 31, 2018. The convenience translation should not be construed as a representation that the USD amounts or the INR amounts referred to in these financial statements have been, could have been, or could in the future be, converted into INR or USD as the case may be, at this or at any other rate of exchange, or at all. Wherever movement schedule is provided in the financial statement, the opening balance are converted at USD 1= INR 69.16 for March 31, 2019 and at the exchange rate of USD 1=INR 65.15 for March 31, 2018.

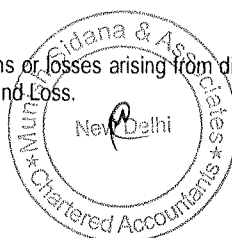
4. Summary of Significant Accounting Policies

4.1 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP 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.

4.2 Property, plant & equipment and depreciation

- (i) Tangible assets 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.
The carrying amounts are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.
- (ii) 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.



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

- (iii) Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets 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:

	Years
Computers	3
Vehicles	2-5
Office Equipment	5
Furniture and Fixtures	5

- (iv) 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.

4.3 Intangible Assets and Amortisation

Intangible assets are stated at cost of acquisition less accumulated depreciation 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. Intangible assets comprises of Computer Software, Goodwill, Software license rights and Product development costs. 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.

- (i) Computer softwares which are held for use in business / administrative purposes are amortised over an estimated useful life of two years.
- (ii) Software License Rights purchased are amortized over their estimated useful life ranging from one to four 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.

4.4 Leases

Finance lease

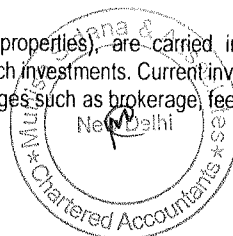
Assets acquired under lease where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Lease management fees, legal charges and other initial direct costs are capitalised.

Operating lease

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognised as an expense in the Profit and Loss Account on a straight line basis over the lease term. Operating leases, which are renewed, after the primary lease period and have not been opted for transfer of ownership, are reclassified to finance lease prospectively.

4.5 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.



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

4.6 Impairment of assets

The carrying values of assets / cash generating units 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.

4.7 Revenue recognition

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed on or before March 31, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant on the financial statements.

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. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Arrangements with customers for software related services are either on a fixed-price or on a time-and-material basis.

- (i) Revenue on time-and-material contracts are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.
- (ii) In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.
- (iii) Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

- (iv) Revenue from licenses where the customer obtains a "right to use" the licenses is recognised at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognised over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Maintenance Services (AMS). The Company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognised using the percentage-of-completion method as the implementation is performed. Revenue from support and other services arising due to the sale of software products is recognised as the performance obligations are satisfied. AMS revenue is recognised ratably over the period in which the services are rendered.
- (v) 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.
- (vi) 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.
- (vii) Unbilled revenue represents costs and earnings in excess of billings as at the balance sheet date.

4.8 Foreign currency transactions

- (i) 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.
- (ii) 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.

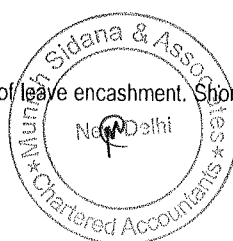
All monetary assets and liabilities in foreign currency are restated at the end of accounting period other than those monetary assets which are provided for being doubtful of recovery.

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

- (iii) 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.
- (iv) 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.

4.9 Employee benefits

Retirement benefits to employees comprise of leave encashment. Short term compensated absences are provided for based on estimates.



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

4.10 Taxes on income

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

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 Holding 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.

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.

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.

4.11 Provisions and contingent liabilities

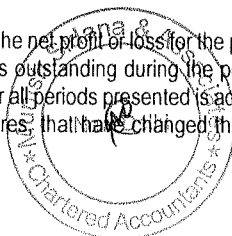
Provisions: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not 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.

4.12 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,



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

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.

4.13 Segment reporting

Identification of segments: The Company's operating businesses are organised and managed separately according to the nature of services rendered. The analysis of geographical segments is based on the geographical location of the Company's customer.

Inter segment transfers: The Company generally accounts for inter segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs: Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items: The unallocated items include general corporate income and expense items which are not allocated to any business segment.

4.14 Project work expenses

Project work expenses represents amounts charged by sub-contractors and cost of hardware and software incurred for execution of projects. These expenses are recognised on an accrual basis.

4.15 Cash and Cash equivalents

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.

4.16 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.

4.17 Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

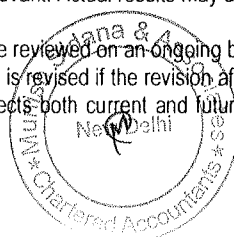
4.18 Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Holding 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 Holding Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

4.19 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company accounting policies described above, the management of the Company are 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. However, there are no areas of



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

estimation uncertainty and critical judgements that the management has 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.

4.20 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.

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.

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.

All other financial assets are subsequently measured at fair value.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement 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 Holding Company 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.

Impairment of financial assets

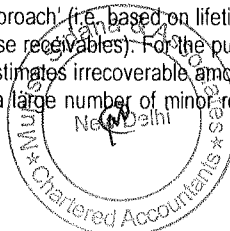
In accordance with Ind AS 109, the Holding Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the Financial assets that are initially measured at fair value with subsequent measurement at amortised cost e.g Trade receivables, unbilled revenue etc.

The Holding Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Holding 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 Holding 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 Holding 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 Holding Company 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 Holding Company 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



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

Derecognition of financial assets

The Holding 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 Holding Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Holding Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Holding Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Holding 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.

4.21 Financial liabilities

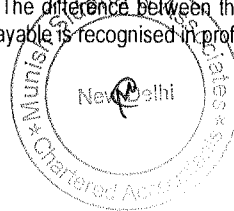
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest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

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTP.

Derecognition of financial liabilities

The Holding Company derecognises financial liabilities when, and only when, the Holding 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.

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Notes forming part of the financial statements

3.21 Financial instruments

3.21.01 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholder through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus fund into various investment options. The Company does not have debts and meets its capital requirement through equity and support from holding Company.

The Company is not subject to any external imposed capital requirements

The Company reviews the capital nature of the Company on regular basis. As part of this review, the Company considers the cost of capital and the risks associated with each class of capital.

3.21.02 Disclosure and Categories of financial instruments

This section provides additional information on balance sheet items that contain financial instruments:-

3.21.03 Categories of financial instruments

Particulars	USD	USD
	As at March 31, 2019	As at March 31, 2018
Financial assets		
<u>Measured at amortised cost</u>		
(a) Cash and bank balances	11,113,577	7,542,739
(b) Bank balances other than above		
(c) Other financial assets at amortised cost	2,715,593	3,463,862
Financial liabilities		
<u>Measured at amortised cost</u>		
Other financial liability at amortised cost	40,504,212	40,508,010

3.21.04 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;

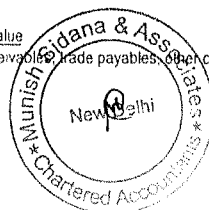
Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

There are no financial Assets and Liabilities measured at fair value.

Fair value of financial assets and financial liabilities that are not measured at fair value

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.



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

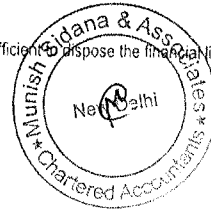
3.22 Financials risk management objectives

The Company's management monitors and manage the financial risks relating to the operations of the Company. These risks includes liquidity risk

Liquidity risk

				(Amount in USD)
As at March 31, 2019	Less than 1 yrs	1 to 5 yrs	>5 Yrs	Total
Trade Payables	2,302,181			2,302,181
Other Financials liabilities	38,202,031			38,202,031
As at March 31, 2018				
	Less than 1 yrs	1 to 5 yrs	>5 Yrs	Total
Trade Payables	2,355,979			2,355,979
Other Financials liabilities	38,148,233			38,148,233

The Parent Company's financial support and operational cash flows will be sufficient to dispose the financial liabilities with in the maturity period.



Xchanging Solutions (USA) Inc.
Notes forming part of the financial statements

(All amounts in USD unless otherwise stated)

5 PROPERTY, PLANT & EQUIPMENT

(Owned unless specified)

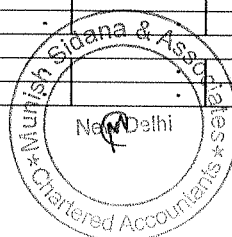
Carrying amounts of:	USD	INR	USD	INR
	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018
Leasehold Improvements	-	-	-	-
Computers	-	-	-	-
Vehicles	-	-	-	-
Office Equipment	-	-	-	-
Furniture and Fittings	-	-	-	-

**All figures are in USD*

Particulars	Leasehold Improvements	Computers	Vehicles	Office Equipment	Furniture and Fittings	Total
Gross carrying value						
Balance as at January 1, 2017	-	6,679	-	-	-	6,679
Additions	-	-	-	-	-	-
Disposals	-	(6,679)	-	-	-	(6,679)
Balance as at March 31, 2018	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at March 31, 2019	-	-	-	-	-	-
Accumulated depreciation						
Balance as at January 1, 2017	-	6,273	-	-	-	6,273
Depreciation expense	-	406	-	-	-	406
Eliminated on disposals of assets	-	(6,679)	-	-	-	(6,679)
Balance as at March 31, 2018	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-
Eliminated on disposals of assets	-	-	-	-	-	-
Balance as at March 31, 2019	-	-	-	-	-	-
Net carrying value as at March 31, 2019	-	-	-	-	-	-
Net carrying value as at March 31, 2018	-	-	-	-	-	-

**All figures are in INR*

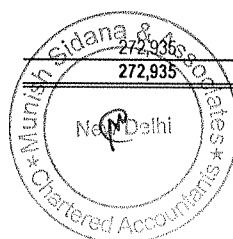
Particulars	Leasehold Improvements	Computers	Vehicles	Office Equipment	Furniture and Fittings	Total
Gross carrying value						
Balance as at January 1, 2017	-	434,281	-	-	-	434,281
Disposals	-	(435,114)	-	-	-	(435,114)
Exchange rate movement	-	833	-	-	-	833
Balance as at March 31, 2018	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Exchange rate movement	-	-	-	-	-	-
Balance as at March 31, 2019	-	-	-	-	-	-
Accumulated depreciation						
Balance as at January 1, 2017	-	407,867	-	-	-	407,867
Depreciation expense	-	28,068	-	-	-	28,068
Eliminated on disposals of assets	-	(461,911)	-	-	-	(461,911)
Exchange rate movement	-	25,976	-	-	-	25,976
Balance as at March 31, 2018	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-
Eliminated on disposals of assets	-	-	-	-	-	-
Exchange rate movement	-	-	-	-	-	-
Balance as at March 31, 2019	-	-	-	-	-	-
Net carrying value as at March 31, 2019	-	-	-	-	-	-
Net carrying value as at March 31, 2018	-	-	-	-	-	-



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

	As At Mar 31, 2019 USD	As At Mar 31, 2019 INR	As At Mar 31, 2018 USD	As At Mar 31, 2018 INR
6 Non-current investments <i>(Unquoted, Long term at cost, fully paid-up)</i> Subsidiary company: 10,000 Equity shares of Rs. 10 each in NexPLICIT India Infotech Private Limited, India	27,370	1,892,808	27,370	1,783,062
	27,370	1,892,808	27,370	1,783,062
7 Trade receivables Outstanding for a period exceeding 6 months from the date they are due for payment				
Unsecured, considered good	1,508,154	104,298,315	1,221,302	79,563,626
Unsecured, considered doubtful:	40,748	2,817,958	98,690	6,429,321
	1,548,902	107,116,273	1,319,992	85,992,947
(Less): Provision for doubtful debts	(40,748)	(2,817,958)	(98,689)	(6,429,265)
	1,508,154	104,298,315	1,221,303	79,563,682
8 Cash and cash equivalents Cash in hand Balances with Banks - Current accounts	11,113,577	768,573,725	7,542,739	491,383,647
	11,113,577	768,573,725	7,542,739	491,383,647
9 Other financial assets Current <i>(Unsecured considered good unless otherwise stated)</i> Security deposits Prepaid Expenses Other Loans and Advances: Unbilled Revenue	1,180,070	81,609,263	1,761,249	114,739,347
	1,180,070	81,609,263	2,215,189	144,311,993
11 Reserves and surplus Capital reserve b/f Securities premium b/f Surplus/(Deficit) in Statement of Profit and Loss Balance as at the beginning of the period Profit/(loss) for the period Balance as at end of the period	1,974,623	136,557,601	1,974,623	128,639,935
	1,974,623	136,557,601	1,974,623	128,639,935
	17,567,336	1,214,891,783	17,567,336	1,144,451,860
	(58,973,430)	(4,078,383,628)	(62,115,192)	(4,046,592,325)
	2,826,368	195,461,091	3,141,762	204,675,057
	(56,147,062)	(3,882,922,537)	(58,973,430)	(3,841,917,268)
	(36,605,103)	(2,531,473,153)	(39,431,471)	(2,568,825,473)
12 Other financial liabilities (Long term) Loans from Subsidiaries Holding company	37,929,096	2,623,035,587	37,929,096	2,470,950,910
	37,929,096	2,623,035,587	37,929,096	2,470,950,910
13 Trade payables Due to: Holding company Fellow Subsidiaries Other related parties Others	418,488	28,941,077	230,464	15,013,941
	1,445,414	99,959,490	1,359,232	88,549,331
	438,279	30,309,722	766,283	49,920,693
	2,302,181	159,210,289	2,355,979	153,483,965
14 Current tax liabilities (net) Provision for taxation(net of advance tax)	272,935	18,875,141	222,935	14,523,423
	272,935	18,875,141	222,935	14,523,423



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

10 Share Capital	As At	As At	As At	As At
	Mar 31, 2019 USD	Mar 31, 2019 INR	Mar 31, 2018 USD	Mar 31, 2018 INR
Authorised capital: 10,073,267 (2015: 10,073,267) Equity Shares of \$ 1.00 each	10,073,267	696,629,774	10,073,267	656,238,894
Issued, subscribed and paid up capital: 9,930,062 (2015: 9,930,062) Equity Shares of \$ 1.00 each fully paid up	9,930,062	686,726,247	9,930,062	646,909,578
	9,930,062	686,726,247	9,930,062	646,909,578

(i) Reconciliation of number of shares

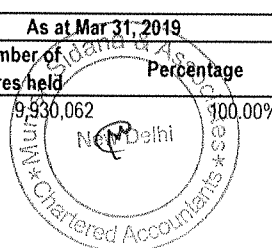
Equity Shares	As at Mar 31, 2019		As at Mar 31, 2018	
	Number of Shares	Amount (in USD)	Number of Shares	Amount (in USD)
Shares outstanding at the beginning of the period	9,930,062	9,930,062	9,930,062	9,930,062
Add / (Less): Movement for the period				
Shares outstanding at the end of the period	9,930,062	9,930,062	9,930,062	9,930,062

(ii) Shares held by holding company and subsidiary of holding company

Name of Shareholder	As at Mar 31, 2019		As at Mar 31, 2018	
	Number of Shares	Amount (in USD)	Number of Shares	Amount (in USD)
Xchanging Solutions Ltd, India, Holding Company	9,930,062	9,930,062	9,930,062	9,930,062

(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at Mar 31, 2019		As at Mar 31, 2018	
	Number of Shares held	Percentage	Number of Shares held	Percentage
Xchanging Solutions Ltd, India, Holding Company	9,930,062	100.00%	9,930,062	100.00%



Xchanging Solutions (USA) Inc.

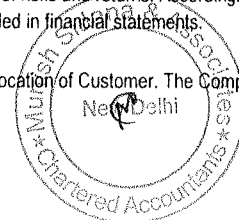
Notes forming part of the financial statements

	For the 12 months period ended		For the 12 months period ended	
	Mar 31, 2019 USD	Mar 31, 2019 INR	Mar 31, 2018 USD	Mar 31, 2018 INR
15 Revenue from operations				
Revenue from software development and related services	13,491,031	932,989,618	14,899,780	970,669,696
	13,491,031	932,989,618	14,899,780	970,669,696
16 Other income				
Miscellaneous Income	92,488	6,396,135	563,831	36,731,666
	92,488	6,396,135	563,831	36,731,666
17 Employee benefits expense				
Salaries, allowances and bonus	4,631,456	320,294,284	5,703,069	371,535,415
Leave encashment	-	-	-	-
Staff welfare	823,778	56,969,452	754,581	49,158,382
Recruitment and relocation	-	-	-	-
	5,455,234	377,263,736	6,457,650	420,693,797
18 Other operating costs				
Project work expenses	5,069,219	350,568,410	5,484,757	357,313,137
Rent	24,104	1,666,943	21,830	1,422,150
Communication	6,089	421,126	60,665	3,952,113
Travel	45,248	3,129,166	102,159	6,655,341
Repairs and maintenance	-	-	-	-
- Others	2,777	192,039	3,850	250,794
Legal & professional	22,650	1,566,399	7,756	505,264
Printing & stationery	-	-	-	-
Business promotion	15,098	1,044,122	25,000	1,628,665
Bank charges	3,139	217,104	9,629	627,308
Provision for bad & doubtful debts	57,942	4,007,026	35,922	2,340,177
Exchange loss/(gain), net	-	-	3,843	250,379
Miscellaneous expenses	5,651	390,778	4,700	306,207
	5,251,917	363,203,113	5,760,111	375,251,535
19 Depreciation and amortisation				
Depreciation on Property, Plant and Equipment	-	-	406	26,440
	-	-	406	26,440
20 Contingent Liabilities and commitment				
	As at Mar 31, 2019 USD	As at Mar 31, 2019 INR	As at Mar 31, 2018 USD	As at Mar 31, 2018 INR
Contingent liabilities	Nil	Nil	Nil	Nil
Capital commitment	Nil	Nil	Nil	Nil

21 Segment reporting

The Company's business activity is organised within a single business and geographical segment. The Company renders software development and related services to its customers in US region and is managed as one entity, governed by similar set of risks and returns. Accordingly, there are no additional disclosures to be provided under Accounting Standard 17 – 'Segment Reporting' other than those already provided in financial statements.

Secondary segmental reporting is performed on the basis of the geographical location of Customer. The Company services



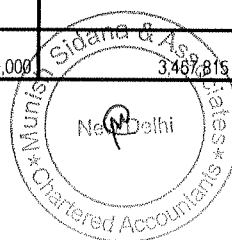
Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

Particulars	In USD		In INR	
	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Current tax				
In respect of the current year/period	50,000		3,457,815	103,682
Deferred tax				
In respect of the current year/period			-	-
Total income tax expense recognised in the current year/period relating to continuing operations			-	-

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	In USD		In INR	
	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2019	For the Year ended March 31, 2018
profit/ (loss) before tax from continuing operations	2,876,368		198,918,904	3,245,444
Income tax expense calculated at 20 % on AMT Method	50,000		3,457,815	103,682
Effect of unused tax losses and tax offset not recognised as deferred tax assets				
Net Effect				
Income tax expense recognised in profit or loss	50,000		3,457,815	103,682

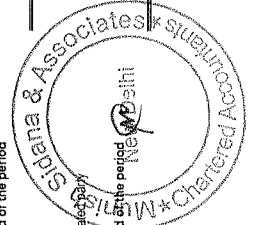


Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

22 Related Party Disclosures

S No.	Name of the related party	Relationship	Nature of transaction	Transactions 2019		Transactions 2018		Transactions 2018		Transactions 2018	
				USD	INR	USD	INR	USD	INR	USD	INR
(i)	Xchanging Solutions Limited, India	Holding company	Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / (Payable) at the end of the period Unsecured loan at the end of the period	(2,387,452) 2,198,428 (418,488) (37,929,097)	(165,107,223) 152,104,281 (28,941,077) (2,623,035,600)	(2,416,867) 3,365,621 (230,464) (37,929,097)	(157,437,567) 220,574,599 (15,013,941) (2,470,950,922)				
(ii)	Xchanging Solutions Europe Limited, UK	Fellow subsidiary	Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / (Payable) at the end of the period Unsecured loan at the end of the period	-	-	(183) 8,080	(11,953) 526,374				
(iii)	Xchanging Solutions Pte Limited, Fellow subsidiary Singapore		Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / (Payable) at the end of the period Loans and advances at the end of the period	(450,000)	(31,120,331)	(63,969)	(4,169,322)			450,000	29,315,961
(iv)	IndigoMarkets Limited, Bermuda	Fellow subsidiary	Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / (Payable) at the end of the year								
(v)	Processmind Holdings Mauritius Ltd	Subsidiary of Xchanging Pte UK	Unsecured loan at the end of the year Loans and advances at the end of the year								
(iv)	Xchanging UK Ltd.	Fellow subsidiary	Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / (Payable) at the end of the period	(56,518) 56,518	(4,046,888) 4,046,888	(28,885) 423,082	(1,881,757) 27,552,353				
(v)	Ferguson Seal & Associates	Fellow subsidiary	Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / (Payable) at the end of the period			(31) 1,587	(2,040) 1,08,889				
(vi)	Xchanging Asia Pacific Pte Ltd.	Fellow subsidiary	Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / (Payable) at the end of the period								

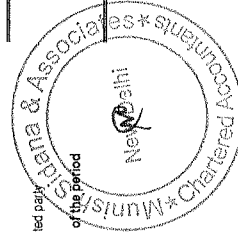


Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

22 Related Party Disclosures

S No.	Name of the related party	Relationship	Nature of transaction	Transactions		Receivable / (payable)		Transactions		Receivable / (payable)		Transactions		Receivable / (payable)	
				USD	INR	USD	INR	USD	INR	USD	INR	USD	INR	USD	INR
(vii)	Xchanging Systems Inc., USA	Fellow subsidiary	Expenses reimbursed / incurred to / for related party Payments made / (received) Trade Receivables / (Payable) at the end of the period	1,141,391 (1,089,718)	(190,191) 212,859	2,157 15,398		140,489 1,003,103							(21,354)
(viii)	Xchanging Technology Services India Pvt Fellow subsidiary		Expenses reimbursed / incurred to / for related party Payments made / (received) Trade Receivables / (Payable) at the end of the period	1,141,391 (1,089,718)	78,934,367 (75,350,854)	59,109 (617,810)		3,850,743 (40,248,239)							(1,457,985)
(ix)	Computer Science Corporation	Related Party	Expenses reimbursed / incurred to / for related party Payments made / (received) Trade Receivables / (Payable) at the end of the period	(4,601,645) 7,504,529	(318,232,659) 518,965,369	(9,367,744) 8,101,231									(82,508,996)
(x)	Xchanging Finance s.a.r.l	Fellow subsidiary	Expenses reimbursed / incurred to / for related party Payments made / (received) Trade Receivables / (Payable) at the end of the year												
(xi)	CSC Corp - FSG US	Related Party	InterCompany Revenue Payments made / (received) Trade Receivables / (Payable) at the end of the period	202,949 (165,163)	14,035,204 (11,491,244)										
(xii)	Xchanging Global Insurance Solutions	Fellow subsidiary	Expenses reimbursed / incurred to / for related party Payments made / (received) Trade Receivables / (Payable) at the end of the period	199	13,730	(6)									(12,934)
(xiii)	Xchanging Systems & Services Inc., US7 Fellow subsidiary		Expenses reimbursed / incurred to / for related party Payments made / (received) Trade Receivables / (Payable) at the end of the period	5,884 (4,707)	406,505 (325,499)	61,584 165,947									(76,663)



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

23 Lease disclosures

Operating lease

Office and Office Equipment are obtained under operating lease, whereby the lease is renewable on monthly basis. Expense for such operating leases recognized in the Statement of Profit and loss of the year under the head Rent expenses. The Company has not entered into any long term non cancelable lease agreements during the current year.

24 Taxes


The current tax charge reflects state tax and minimum federal tax payable (if any), by the Company in accordance with the tax laws applicable in the United States of America.

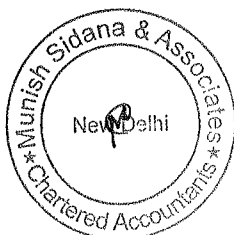
25 Previous year comparatives

The Financial statements of the previous year have been restated and reclassified where necessary to conform to the current year's presentation.

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants


Munish Sidana
Prop.
M. No. 099005
FRN: 020294N



Place: New Delhi

Date: 5/21/2019

For and on behalf of the Board of Directors of
Xchanging Solutions (USA) Inc.



Director



INDEPENDENT AUDITORS' REPORT

To The Members of Xchanging Solutions Europe Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Xchanging Solutions Europe Limited** ("the company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss, the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards referred to sub-section (1) of section 129 and section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and cash flows for the year ended on that date.

Basis for Opinion

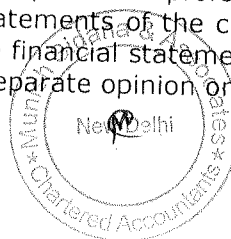
We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no key audit matters identified.



Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards referred to sub-section (1) of section 129 and 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

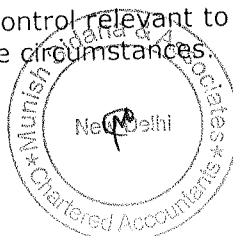
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

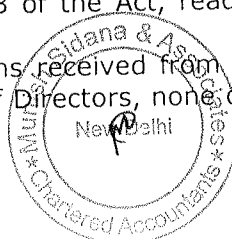
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by Section 143 (3) of the Act, 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 appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as



on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

f) 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, in our opinion and to the best of our information and according to the explanations given to us;

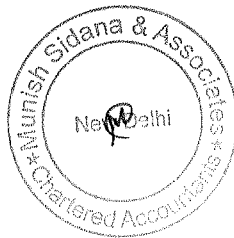
- (i) The Company does not have any pending litigations which would impact its financial position;
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

2. This Report has been furnished for the purpose of complying with Sec 129 and other applicable sections of Companies Act, 2013. It is not to be used for any other purpose or distributed to any other authority.

For Munish Sidana & Associates
Chartered Accountants



Munish Sidana
Prop.
M. No. 099005
FRN: 020294N
Place: New Delhi
Date: May 21, 2019



Xchanging Solutions (Europe) Ltd.

Balance Sheet as at March 31, 2019

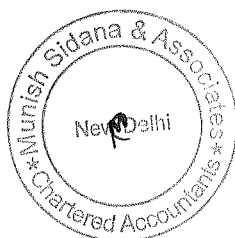
	Notes	As At Mar 31, 2019 GBP	As At Mar 31, 2019 INR	As At Mar 31, 2018 GBP	As At Mar 31, 2018 INR
ASSETS					
Current assets					
Financial assets					
Trade receivables	5	-	-	22,666	2,072,696
Cash and cash equivalents	6	441,139	39,656,750	433,623	39,653,237
Other financial assets	7	556	50,026	-	-
Total Current Assets		441,695	39,706,776	456,289	41,725,933
Total Assets		441,695	39,706,776	456,289	41,725,933
EQUITY AND LIABILITIES					
Shareholders' Funds					
Equity Sharecapital	8	2,664,278	239,508,654	2,664,278	243,638,365
Reserves and surplus	9	(2,222,583)	(199,801,878)	(2,229,915)	(203,917,442)
Total Equity		441,695	39,706,776	434,363	39,720,923
Current liabilities					
Financial liabilities					
Trade payables	10	-	-	12,500	1,143,079
Other financial liabilities	11	-	-	3,873	354,176
Other current liabilities	12	-	-	5,552	507,755
Total Current Liabilities		-	-	21,925	2,005,010
Total Equity and Liabilities		441,695	39,706,776	456,289	41,725,933

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana
Munish Sidana
Prop.
M. No. 099005
FRN: 020294N



Place: New Delhi

Date: May 21, 2019

For and on behalf of the Board of Directors of
Xchanging Solutions Europe Ltd.

[Signature]
Director

Xchanging Solutions (Europe) Ltd.

Statement of Profit and Loss for the period ended March 31, 2019


	Notes	For the 12 months period ended		For the 12 months period ended	
		Mar 31, 2019	Mar 31, 2019	Mar 31, 2018	Mar 31, 2018
		GBP	INR	GBP	INR
Income					
Other income	13	12,845	1,154,686	8,361	764,590
		<u>12,845</u>	<u>1,154,686</u>	<u>8,361</u>	<u>764,590</u>
Expenses					
Other operating costs	14	5,513	495,557	10,304	942,270
		<u>5,513</u>	<u>495,557</u>	<u>10,304</u>	<u>942,270</u>
Profit/(loss) for the year before tax		7,332	659,129	(1,943)	(177,680)
Tax expense		-	-	-	-
Profit/(loss) for the year after tax		<u>7,332</u>	<u>659,129</u>	<u>(1,943)</u>	<u>(177,680)</u>
Earnings/(Loss) per share {Equity shares, par value of GBP1 (2018 : GBP 1)}					
Basic and diluted		<u>0.00</u>	<u>0.25</u>	<u>(0.00)</u>	<u>(0.07)</u>
Weighted average number of equity shares used in computing earning/(loss) per share					
Basic and diluted		<u>2,664,278</u>	<u>2,664,278</u>	<u>2,664,278</u>	<u>2,664,278</u>

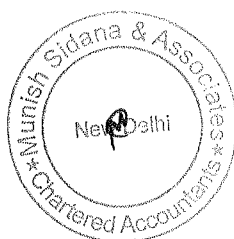
See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

For and on behalf of the Board of Directors of
Xchanging Solutions Europe Ltd.


Munish Sidana
Prop.
M. No. 099005
FRN: 020294N




Director

Place: New Delhi

Date: May 21, 2019

Xchanging Solutions (Europe) Ltd.

Cash Flow Statement for the Period ended March 31, 2019

	For the 12 months period ended		For the 12 months period ended	
	Mar 31, 2019 GBP	Mar 31, 2019 INR	Mar 31, 2018 GBP	Mar 31, 2018 INR
A. Cash flow from operating activities				
Profit/ (loss) for the period	7,332	659,129	(1,943)	(177,680)
Adjustments for:				
Write back of Liabilities	12,500	1,123,703	8,361	764,590
Operating profit before working capital changes	19,832	1,782,832	6,418	586,910
Movements in working capital :				
Decrease / (Increase) in sundry debtors	22,666	2,037,563	(1,406)	(128,582)
Decrease / (Increase) in loans and advances and other current assets	(556)	(50,026)	130,883	11,968,794
Increase / (Decrease) in current liabilities and provisions	(34,426)	(3,094,723)	(27,702)	(2,533,276)
Net Cash from/ (used in) operations	7,516	675,646	108,193	9,893,846
Income Tax (Paid)/Refund , net	-	-	-	-
Net cash from/ (used in) Operating activities	7,516	675,646	108,193	9,893,846
Net increase/ (decrease) in cash and cash equivalents	7,516	675,646	108,193	9,893,846
Cash and cash equivalents at the beginning of the year	433,623	38,981,104	325,430	29,759,387
Cash and cash equivalents at the end of the period	441,139	39,656,750	433,623	39,653,233
Components of cash and cash equivalents:				
Balances with banks				
in current account	441,139	39,656,750	433,623	39,653,233
	441,139	39,656,750	433,623	39,653,233

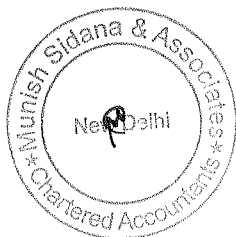
See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

For and on behalf of the Board of Directors of
Xchanging Solutions Europe Ltd.

Munish Sidana



Munish Sidana
Prop.
M. No. 099005
FRN: 020294N

[Signature]

Director

Place: New Delhi

Date: May 21, 2019

Xchanging Solutions (Europe) Ltd.
Notes Forming Part of the Financial Statement

9. Statement of Changes in Equity for the Year ended March 31, 2019

a EQUITY SHARE CAPITAL	GBP	INR
Balance at April 1, 2017	2,664,278	217,254,713
Changes in equity share capital during the year	-	-
Exchange rate movement	-	26,383,652
Balance at March 31, 2018	2,664,278	243,638,365
Changes in equity share capital during the year	-	-
Exchange rate movement	-	(4,129,711)
Balance at March 31, 2019	2,664,278	239,508,654

b OTHER EQUITY

Particulars	Reserves & Surplus			Total other equity (INR)
	Retained earnings (GBP)	Total other equity (GBP)	Retained earnings (INR)	
Balance as of April 1, 2017	(2,227,972)	(2,227,972)	(181,676,751)	(181,676,751)
Profit/(Loss) for the period	(1,943)	(1,943)	(177,680)	(177,680)
Exchange rate movement	-	-	(22,063,011)	(22,063,011)
Balance as of March 31, 2018	(2,229,915)	(2,229,915)	(203,917,442)	(203,917,442)

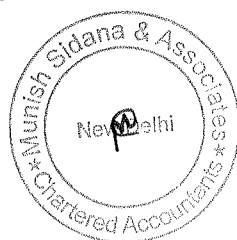
Particulars	Reserves & Surplus			Total other equity (INR)
	Retained earnings (GBP)	Total other equity (GBP)	Retained earnings (INR)	
Balance as of April 1, 2018	(2,229,915)	(2,229,915)	(203,917,442)	(203,917,442)
Profit/(Loss) for the period	7,332	7,332	659,129	659,129
Exchange rate movement	-	-	3,456,434	3,456,434
Balance as of March 31, 2019	(2,222,583)	(2,222,583)	(199,801,879)	(199,801,879)

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

For and on behalf of the Board of Directors of
Xchanging Solutions Europe Ltd

Munish Sidana
Munish Sidana
Prop.
M. No. 099005
FRN: 020294N



[Signature]
Director

Place: New Delhi
Date: *May 21, 2019*

Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

1. Background

Xchanging Solutions Europe Limited ('XSEL' or 'the Company') was incorporated on March 5, 2002, incorporated and domiciled in The United Kingdom. The Company is engaged in the business of rendering software development and related services. The Company is a 100% Subsidiary of Xchanging Solutions Limited.

2. Funding of Future Operations

The Company during period ended March 31, 2019 incurred a Profit of GBP 7,332 – (INR 659,129) and has a positive net worth of GBP 441,695– (INR 39,706,776) as on that date.

3. Basis of preparation

- a) The financial statements of the Company have been prepared in accordance with IND-AS's notified under the Companies (Indian Accounting Standard) Rules, 2015. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
- b) For the convenience of the readers the balance sheet, as at March 31, 2019 and as at March 31, 2018, and the Profit and Loss account for both the periods/years have been translated into INR at the exchange rate of GBP 1= INR 89.90 for March 31, 2019 and at the exchange rate of GBP 1=INR 91.45 for March 31, 2018. The convenience translation should not be construed as a representation that the GBP amounts or the INR amounts referred to in these financial statements have been, could have been, or could in the future be, converted into INR or GBP as the case may be, at this or at any other rate of exchange, or at all. Wherever movement schedule is provided in the financial statement, the opening balance are converted at GBP 1= INR 89.90 for March 31, 2019 and at the exchange rate of GBP 1=INR 91.45 for March 31, 2018.

4. Summary of Significant Accounting Policies

4.1 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP 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.

4.2 Impairment of assets

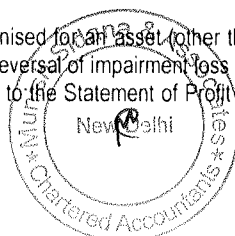
The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (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.



Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

4.3 Revenue recognition

Revenue from time and material contracts are recognized as related services are performed. Revenue is recognised net of value added tax.

4.4 Foreign currency transactions

(i) 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.

(ii) 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.

(iii) 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.

(iv) Forward exchange contracts outstanding as at the period end on account of firm commitment / highly probable forecast transactions are marked to market and gain/losses, if any, are recognised in the Statement of Profit and Loss and gains.

4.5 Employee benefits

Retirement benefits to employees comprise contribution to National Security and leave encashment

The Company contributes the employer's share of the National Security and charges all such amounts to the Profit and loss account on an accrual basis.

Liability towards leave encashment benefits is provided based on an actual valuation performed as at the balance sheet date and is unfunded as at March 31, 2019.

4.6 Taxes on income

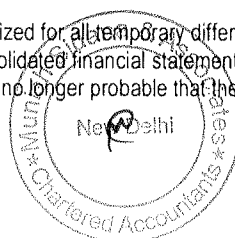
Income tax expense represents the sum of the tax currently payable and deferred tax.

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 Holding 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.

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.



Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

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.

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.

4.7 Earning 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.

4.8 Provisions and contingent liabilities

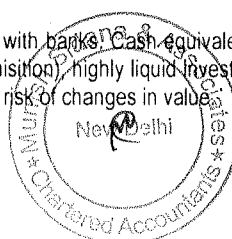
Provisions: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not 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.

4.9 Cash and cash equivalents

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.



Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

4.10 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.

4.11 Other Income

Provision writeback accounted on basis of actual cost received. Miscellaneous income accounted on actual basis.

4.12 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company accounting policies described above, the management of the Company are 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 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. However, there are no areas of estimation uncertainty and critical judgements that the management has 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.

4.13 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.

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.

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):

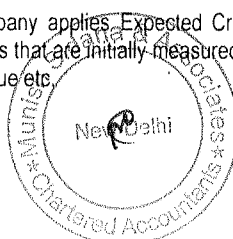
- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal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

All other financial assets are subsequently measured at fair value.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement 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 Holding Company 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.

Impairment of financial assets

In accordance with Ind AS 109, the Holding 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.



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Notes forming part of the financial statements

The Holding Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Holding 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 Holding 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 Holding 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 Holding Company 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 Holding Company 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.

Derecognition of financial assets

The Holding 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 Holding Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Holding Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Holding Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Holding 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.

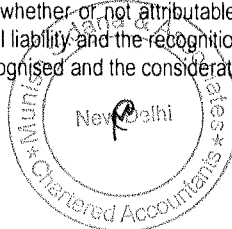
4.14 Financial liabilities

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.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTP.

Derecognition of financial liabilities

The Holding Company derecognises financial liabilities when, and only when, the Holding 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.



Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

4.15 Financial instruments

4.15.01 Disclosure and Categories of financial instruments

This section provides additional information on balance sheet items that contain financial instruments:-

4.15.02 Categories of financial instruments

Particulars	GBP	GBP
	As at March 31, 2019	As at March 31, 2018
Financial assets		
<u>Measured at amortised cost</u>		
(a) Cash and bank balances	441,139	433,623
(b) Other financial assets at amortised cost	556	22,666
Financial liabilities		
<u>Measured at amortised cost</u>		
(a) Trade Payables	-	12,500
(b) Other financial liability at amortised cost	-	9,425

4.15.03 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;

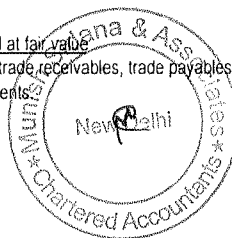
Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

There are no financial Assets and Liabilities measured at fair value.

Fair value of financial assets and financial liabilities that are not measured at fair value

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.



Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

4.16 Financials risk management objectives

The Company's management monitors and manage the financial risks relating to the operations of the Company These risks includes liquidity risk

Liquidity risk				
(Amount in GBP)				
As at March 31, 2018	Less than 1 yrs	1 to 5 yrs	>5 Yrs	Total
Trade Payables	12,500			12,500
Other Financials liabilities	9,425			9,425
<hr/>				
As at March 31, 2019	Less than 1 yrs	1 to 5 yrs	>5 Yrs	Total
Trade Payables	-			-
Other Financials liabilities	-			-

The Parent Company's financial support and operational cash flows will be sufficient to dispose the financial liabilities with in the maturity perio



Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

8 Share Capital	As At	As At	As At	As At
	Mar 31, 2019	Mar 31, 2019	Mar 31, 2018	Mar 31, 2018
	GBP	INR	GBP	INR
Authorised capital:				
5,000,000 (Previous Year 5,000,000) Equity Shares of GBP 1 Each	5,000,000	449,481,350	5,000,000	457,231,500
Issued, subscribed and paid up capital:				
2,664,278 (Previous Year 2,664,278) Equity Shares of GBP 1 Each fully paid up	2,664,278	239,508,654	2,664,278	243,638,365
	2,664,278	239,508,654	2,664,278	243,638,365

(i) Reconciliation of number of shares

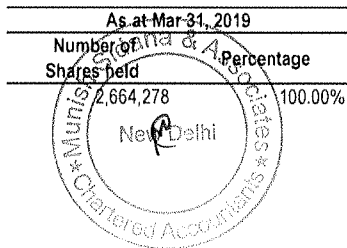
	As at Mar 31, 2019		As at Mar 31, 2018	
	Number of Shares	Amount in GBP	Number of Shares	Amount in GBP
Equity Shares				
Shares outstanding at the beginning of the period	2,664,278	239,508,654	2,664,278	243,638,365
Add / (Less): Movement for the period				
Shares outstanding at the end of the period	2,664,278	239,508,654	2,664,278	243,638,365

(ii) Shares held by holding company and subsidiary of holding company

Name of Shareholder	As at Mar 31, 2019		As at Mar 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
Xchanging Solutions Ltd, India, Holding Company	2,664,278	2,664,278	2,664,278	2,664,278

(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

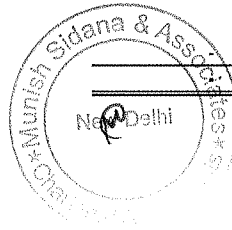
Name of Shareholder	As at Mar 31, 2019		As at Mar 31, 2018	
	Number of Shares held	Percentage	Number of Shares held	Percentage
Xchanging Solutions Ltd, India, Holding Company	2,664,278	100.00%	2,664,278	100.00%



Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

	As At Mar 31, 2019 GBP	As At Mar 31, 2019 INR	As At Mar 31, 2018 GBP	As At Mar 31, 2018 INR
5 Trade receivables				
Outstanding for a period exceeding 6 months from the date they are due for payment	-	-	22,666	2,072,695
Unsecured, considered good	-	-	<u>22,666</u>	<u>2,072,695</u>
6 Cash and cash equivalents				
Balances with Banks				
- Current accounts	441,139	39,656,750	433,623	39,653,237
	<u>441,139</u>	<u>39,656,750</u>	<u>433,623</u>	<u>39,653,237</u>
7 Other financial assets				
<i>(Unsecured considered good, unless otherwise stated)</i>				
Fellow subsidiary	-	-	-	-
Balances with Government. Authorities	556	50,026	-	-
	<u>556</u>	<u>50,026</u>	<u>-</u>	<u>-</u>
10 Trade payables				
Due to:				
Others	-	-	12,500	1,143,079
	<u>-</u>	<u>-</u>	<u>12,500</u>	<u>1,143,079</u>
11 Other financial liabilities				
Other short-term liabilities	-	-	3,873	354,172
	<u>-</u>	<u>-</u>	<u>3,873</u>	<u>354,172</u>
12 Other current liabilities				
Dues with Government Authorities	-	-	5,552	507,755
	<u>-</u>	<u>-</u>	<u>5,552</u>	<u>507,755</u>



Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

	For the 12 months period ended		For the 12 months period ended	
	Mar 31, 2019	Mar 31, 2019	Mar 31, 2018	Mar 31, 2018
	GBP	INR	GBP	INR
13 Other income				
Writeback of Provision	12,500	1,123,703	8,361	764,590
Miscellaneous Income	345	30,983	-	-
	12,845	1,154,686	8,361	764,590
14 Other operating costs				
Travel	2,538	228,157	-	-
Rates and Taxes	750	67,422	5,000	457,232
Bank charges	2,196	197,416	1,988	181,840
Net Exchange Loss	-	-	132	12,049
Miscellaneous expenses	29	2,562	3,184	291,149
	5,513	495,557	10,304	942,270

15 Contingent Liabilities and commitment

	As at Mar 31, 2019	As at Mar 31, 2019	As at Mar 31, 2018	As at Mar 31, 2018
	GBP	INR	GBP	INR
Contingent liabilities	Nil	Nil	Nil	Nil
Capital commitment	Nil	Nil	Nil	Nil

16 Segment reporting

The Company's business activity is organised within a single business and geographical segment. The Company renders software development and related services to its customers in UK region and is managed as one entity, governed by similar set of risks and returns. Accordingly, there are no additional disclosures to be provided under Accounting Standard 17 –Segment Reporting' other than those already provided in financial statements.

Secondary segmental reporting is performed on the basis of the geographical location of Customer. The Company services in UK geographical segment.

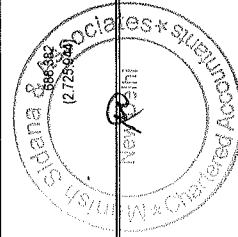


Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

17 Related Party Disclosures

S No.	Name of the related party	Relationship	Nature of transaction	Transactions		Receivable / (Payable)		Transactions		Receivable / (Payable)	
				For the 12 Month Period Ended Mar 31, 2019	For the 12 Month Period Ended Mar 31, 2018	As At Mar 31, 2019	As At Mar 31, 2018	For the 12 Month Period Ended Mar 31, 2019	For the 12 Month Period Ended Mar 31, 2018	As At Mar 31, 2019	As At Mar 31, 2018
				GBP	INR	GBP	INR	GBP	INR	GBP	INR
(i)	Xchanging Solutions Limited, India	Holding company	Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / (Payable) at the end of the period	-	-	-	15,058 (25,201)	-	1,376,966 (2,870,317)	-	-
(ii)	Xchanging Solutions (USA) Inc.	Fellow subsidiary	Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / (Payable) at the end of the period	-	-	299 (6,296)	-	27,354 (575,734)	-	-	-
(iii)	Xchanging Global Insurance Solutions	Fellow subsidiary	Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / (Payable) at the end of the period	(4,211) 4,211	(378,542) 378,542	-	(980) (8,660)	-	(85,661) (791,880)	-	-
(iv)	LPSO Limited	Fellow subsidiary	Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / (Payable) at the end of the period	-	-	-	(19,680)	-	(1,799,663)	-	-
(v)	Spikes Cavell Analytics Limited	Fellow subsidiary	Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / (Payable) at the end of the period	-	-	-	(71)	-	-	-	-
(vi)	Xchanging Technology Services Ltd	Fellow subsidiary	Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / (Payable) at the end of the period	7,658 (30,323)	586,642 (2,725,645)	-	146,526 (165,954)	22,666	13,399,255 (15,175,845)	2,072,695	-

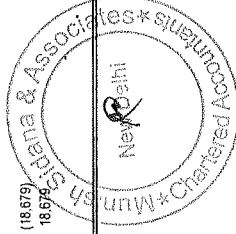


Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

17 Related Party Disclosures

S No.	Name of the related party	Relationship	Nature of transaction	Transactions		Receivable / (Payable)		Transactions		Receivable / (Payable)	
				For the 12 Month Period Ended		As At		For the 12 Month Period Ended		As At	
				Mar 31, 2019	Mar 31, 2019	Mar 31, 2019	Mar 31, 2018	Mar 31, 2018	Mar 31, 2018	Mar 31, 2018	
				GBP	INR	GBP	INR	GBP	INR	GBP	INR
(vii)	Xchanging UK Ltd.	Fellow subsidiary	Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / (Payable) at the end of the period	-	-	(17,620)	(1,611,247)	22,325	2,041,578	-	-
(viii)	Xchanging International	Fellow subsidiary	Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / (Payable) at the end of the period	-	-	(47,145)	(4,311,236)	-	-	-	-
(ix)	CSC Computer Sciences Ltd.	Related Party	Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / (Payable) at the end of the period	(18,679)	(1,679,145)	(142,788)	(13,057,468)	18,679	13,057,468	1,679,145	13,057,468



Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

18 Leases Operating/Finance Lease commitments

The Company has no operating/finance lease arrangement.

19 Board of Xchanging Solutions Limited ("Holding Company") has approved reduction of share capital of the Company, wholly owned subsidiary from £2,664,278 divided into 2,664,278 shares of £1 each, to £1 divided into 1 share of £1 each and that the amount of the reduction be credited to the distributable reserves of the Company.

The Company reduced its share capital to 1 share of £ 1 each on 15th May 2019. The Company has declared and paid dividend to Holding Company on 20th May 2019. After the payment of dividend, the Board of the Company has recommended to the shareholder that the Company be placed into liquidation. Shareholder approval of the same required.

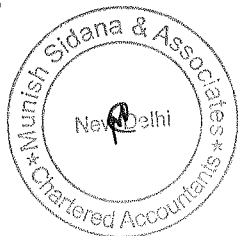
20 Previous year comparatives

The Financial statements of the previous year have been restated and reclassified where necessary to conform to the current year's presentation.

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana
Munish Sidana
Prop.
M. No. 099005
FRN: 020294N



For and on behalf of the Board of Directors of
Xchanging Solutions Europe Ltd

[Handwritten Signature]
Director

Place: New Delhi

Date: *May 21, 2019*