



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 2020, 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, 2020, 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.

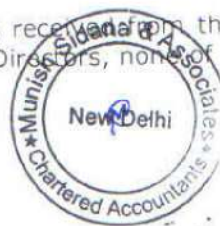
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, 2020, taken on record by the Board of Directors, none of the directors is disqualified as



- on 31st March, 2020, 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, 2020



Xchanging Solutions (USA) Inc.
Balance Sheet as at March 31, 2020

| | Notes | As At Mar 31, 2020 USD | As At Mar 31, 2020 INR | As At Mar 31, 2019 USD | As At Mar 31, 2019 INR |
|--------------------------------|-------|------------------------------|------------------------------|------------------------------|------------------------------|
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Financial assets | | | | | |
| Investments | 6 | 27,370 | 2,069,925 | 27,370 | 1,892,808 |
| | | <u>27,370</u> | <u>2,069,925</u> | <u>27,370</u> | <u>1,892,808</u> |
| Current assets | | | | | |
| Financial assets | | | | | |
| Trade receivables | 7 | 951,242 | 71,940,007 | 1,508,154 | 104,298,315 |
| Cash and cash equivalents | 8 | 14,801,856 | 1,119,427,381 | 11,113,577 | 768,573,725 |
| Other financial assets | 9 | 1,424,725 | 107,748,395 | 1,180,070 | 81,609,263 |
| | | <u>17,177,823</u> | <u>1,299,115,784</u> | <u>13,801,800</u> | <u>954,481,303</u> |
| TOTAL | | <u><u>17,205,193</u></u> | <u><u>1,301,185,709</u></u> | <u><u>13,829,170</u></u> | <u><u>956,374,111</u></u> |
| EQUITY AND LIABILITIES | | | | | |
| Shareholders' funds | | | | | |
| Equity share capital | 10 | 9,930,062 | 750,985,764 | 9,930,062 | 686,726,247 |
| Other equity | 11 | (33,201,666) | (2,510,959,020) | (36,605,103) | (2,531,473,152) |
| Total Equity | | <u>(23,271,604)</u> | <u>(1,759,973,256)</u> | <u>(26,675,041)</u> | <u>(1,844,746,905)</u> |
| Non-Current liabilities | | | | | |
| Financial liabilities | | | | | |
| Other financial liabilities | 12 | 37,929,096 | 2,868,482,734 | 37,929,096 | 2,623,035,587 |
| | | <u>37,929,096</u> | <u>2,868,482,734</u> | <u>37,929,096</u> | <u>2,623,035,587</u> |
| Current liabilities | | | | | |
| Financial liabilities | | | | | |
| Trade payables | 13 | 2,460,370 | 186,071,623 | 2,302,181 | 159,210,307 |
| Current tax liabilities (net) | 14 | 87,331 | 6,604,608 | 272,935 | 18,875,120 |
| | | <u>2,547,701</u> | <u>192,676,230</u> | <u>2,575,115</u> | <u>178,085,427</u> |
| TOTAL | | <u><u>17,205,193</u></u> | <u><u>1,301,185,709</u></u> | <u><u>13,829,170</u></u> | <u><u>956,374,109</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: May 21, 2020



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, 2020

| | Notes | For the 12 months period ended | | For the 12 months period ended | |
|--|-------|--------------------------------|----------------------|--------------------------------|---------------------|
| | | Mar 31, 2020 USD | Mar 31, 2020 INR | Mar 31, 2019 USD | Mar 31, 2019 INR |
| Revenue | | | | | |
| Revenue from operations | 15 | 13,888,074 | 1,050,320,326 | 13,491,031 | 932,989,618 |
| Other income | 16 | 58,701 | 4,439,380 | 92,488 | 6,396,135 |
| | | <u>13,946,775</u> | <u>1,054,759,706</u> | <u>13,583,519</u> | <u>939,385,753</u> |
| Expenses | | | | | |
| Employee benefits expense | 17 | 5,238,396 | 396,166,758 | 5,455,234 | 377,263,736 |
| Other operating costs | 18 | 5,488,397 | 415,073,775 | 5,251,917 | 363,203,113 |
| | | <u>10,726,793</u> | <u>811,240,533</u> | <u>10,707,151</u> | <u>740,466,849</u> |
| Profit before tax | | 3,219,982 | 243,519,173 | 2,878,368 | 198,918,904 |
| Current tax | 19 | 119,100 | 9,007,244 | 50,000 | 3,457,814.50 |
| Current tax- for the earlier years | | (302,555) | (22,881,478) | - | - |
| Total tax expense | | (183,455) | (13,874,235) | 50,000 | 3,457,815 |
| Profit for the period | | 3,403,437 | 257,393,408 | 2,828,368 | 195,461,089 |
| Earnings per share (Equity shares, par value \$1 each (2019 - \$1)) | | | | | |
| Basic and diluted | | <u>0.34</u> | <u>25.92</u> | <u>0.28</u> | <u>19.68</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: May 21, 2020

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

Director

Xchanging Solutions (USA) Inc.

Cash Flow Statement for the 12 months period ended March 31, 2020

| | For the 12 months period ended Mar 31, 2020 | | For the 12 months period ended Mar 31, 2019 | |
|--|--|----------------------|--|--------------------|
| | USD | INR | USD | INR |
| A. Cash flow from operating activities | | | | |
| Profit for the year | 3,403,437 | 257,393,408 | 2,826,368 | 195,461,089 |
| Adjustments for: | | | | |
| Tax expense | 121,249 | 9,169,759 | 50,000 | 3,257,329 |
| Provision for bad and doubtful debts | | | 57,942 | 3,774,897 |
| Write back of Liabilities | 58,701 | 4,439,379.63 | 92,488 | 6,025,285 |
| Operating profit before working capital changes | 3,583,387 | 271,002,546 | 3,026,797 | 208,518,400 |
| Movements in working capital : | | | | |
| Decrease / (Increase) in sundry debtors | 556,912 | 42,117,877 | (344,793) | (22,462,072) |
| Decrease / (Increase) in loans and advances and other financial assets | (365,904) | (27,672,432) | 985,119 | 64,177,168 |
| Increase / (Decrease) in current liabilities and provisions | (86,115) | (6,512,623) | 126,646 | 8,250,716 |
| Net Cash from/ (used in) operations | 3,688,280 | 278,935,368 | 3,793,772 | 258,484,212 |
| Income Tax(Paid) / Refund net | 3,688,280 | 278,935,368 | 3,793,772 | 258,484,212 |
| Net cash from/ (used in) Operating activities | 3,688,280 | 278,935,368 | 3,793,772 | 258,484,212 |
| Net increase/ (decrease) in cash and cash equivalents | | | | |
| | 11,113,577 | 840,492,012.80 | 7,542,739 | 491,383,647 |
| Cash and cash equivalents at the beginning of the year | 14,801,856 | 1,119,427,381 | 11,336,511 | 749,867,859 |
| Cash and cash equivalents at the end of the period | 14,801,856 | 1,119,427,381 | 11,336,511 | 749,867,859 |

Components of cash and cash equivalents:

Cash on hand

Balances with banks
- in Current Account

| | | | | |
|--|------------|---------------|------------|-------------|
| | 14,801,856 | 1,119,427,381 | 11,113,577 | 724,011,506 |
| | 14,801,856 | 1,119,427,381 | 11,113,577 | 724,011,506 |

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, 2020

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

[Signature]

Director

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

12. Statement of Changes in Equity for the Year ended March 31, 2020

| a EQUITY SHARE CAPITAL | USD | INR |
|---|-----------|-------------|
| 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 |
| Changes in equity share capital during the year | - | - |
| Exchange rate movement | - | 64,259,517 |
| Balance at March 31, 2020 | 9,930,062 | 750,985,764 |

b OTHER EQUITY

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

| | Retained earnings (USD) | Retained earnings (INR) | Total other equity (USD) | Total other equity (INR) |
|------------------------------|----------------------------|----------------------------|-----------------------------|-----------------------------|
| Balance as of April 1, 2019 | (36,605,103) | (2,531,473,153) | (36,605,103) | (2,531,473,153) |
| Profit for the year | 3,403,437 | 257,393,408 | 3,403,437 | 257,393,408 |
| Exchange rate movement | - | (236,879,304) | - | (236,879,304) |
| Balance as of March 31, 2020 | (33,201,667) | (2,510,959,049) | (33,201,667) | (2,510,959,049) |

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, 2020

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

[Signature]
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, 2020, the Company has significant accumulated losses amounting to \$ 33.20 million resulting in negative net-worth of \$ 23.27 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, 2020 and as at March 31, 2019, and the Profit and Loss account for both the periods/years have been translated into INR at the exchange rate of USD 1= INR 75.63 for March 31, 2020 and at the exchange rate of USD 1=INR 69.16 for March 31, 2019. 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 75.63 for March 31, 2020 and at the exchange rate of USD 1=INR 69.16 for March 31, 2019.

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.

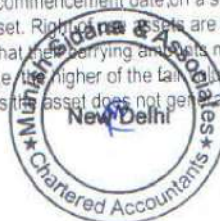
4.4 Leases

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date, on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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.

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.



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

- (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.
- (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:



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

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.

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



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

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, 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.



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

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

The Company has considered internal sources of information up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables including unbilled receivables and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these 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



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

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.

4.21 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.

5. Critical accounting judgements and key sources of estimation uncertainty

The Company has considered internal sources of information up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables including unbilled receivables and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

5.1 Critical judgements in applying accounting policies:

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

- i) Estimation uncertainty relating to COVID-19 outbreak- The Company has considered internal sources of information up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables including unbilled receivables, goodwill, intangible assets and investments. The eventual impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

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Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

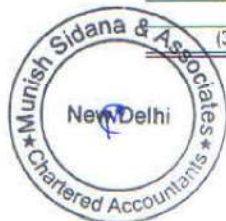
| | As At Mar 31, 2020 USD | As At Mar 31, 2020 INR | As At Mar 31, 2019 USD | As At Mar 31, 2019 INR |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| 6 Non-current investments | | | | |
| <i>(Unquoted at cost, fully paid-up)</i> | | | | |
| Subsidiary company: | | | | |
| 10,000 Equity shares of Rs. 10 each in Nexplot India Infotech Private Limited, India | 27,370 | 2,069,925 | 27,370 | 1,892,808 |
| | <u>27,370</u> | <u>2,069,925</u> | <u>27,370</u> | <u>1,892,808</u> |
| 7 Trade receivables | | | | |
| Outstanding for a period exceeding 6 months from the date they are due for payment | 951,241 | 71,940,007 | 1,508,154 | 104,298,315 |
| Unsecured, considered good | - | - | 40,748 | 2,817,958 |
| Unsecured, considered doubtful: | 951,242 | 71,940,007 | 1,548,901 | 107,116,273 |
| (Less): Provision for doubtful debts | - | - | (40,748) | (2,817,958) |
| | <u>951,242</u> | <u>71,940,007</u> | <u>1,508,154</u> | <u>104,298,315</u> |
| 8 Cash and cash equivalents | | | | |
| Cash in hand | | | | |
| Balances with Banks | 14,801,856 | 1,119,427,381 | 11,113,577 | 768,573,725 |
| - Current accounts | <u>14,801,856</u> | <u>1,119,427,381</u> | <u>11,113,577</u> | <u>768,573,725</u> |
| 9 Other financial assets | | | | |
| Current | | | | |
| <i>(Unsecured considered good unless otherwise stated)</i> | | | | |
| Other Loans and Advances | 61,434 | 4,646,095 | - | - |
| Unbilled revenue | 1,363,291 | 103,102,300 | 1,180,070 | 81,609,263 |
| | <u>1,424,725</u> | <u>107,748,395</u> | <u>1,180,070</u> | <u>81,609,263</u> |



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

| | As At Mar 31, 2020 USD | As At Mar 31, 2020 INR | As At Mar 31, 2019 USD | As At Mar 31, 2019 INR |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| 10 Share Capital | | | | |
| Authorised capital: | | | | |
| 10,073,267 (2019: 10,073,267) Equity Shares of \$ 1.00 each | 10,073,267 | 761,816,000 | 10,073,267 | 696,629,774 |
| Issued, subscribed and paid up capital: | | | | |
| 9,930,062 (2019: 9,930,062) Equity Shares of \$ 1.00 each fully paid up | 9,930,062 | 750,985,764 | 9,930,062 | 686,726,247 |
| | <u>9,930,062</u> | <u>750,985,764</u> | <u>9,930,062</u> | <u>686,726,247</u> |
| (i) Reconciliation of number of shares | | | | |
| Equity Shares | <u>As at Mar 31, 2020</u> | | <u>As at Mar 31, 2019</u> | |
| | 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 |
| Shares outstanding at the end of the period | <u>9,930,062</u> | <u>9,930,062</u> | <u>9,930,062</u> | <u>9,930,062</u> |
| (ii) Shares held by holding company and subsidiary of holding company | | | | |
| | <u>As at Mar 31, 2020</u> | | <u>As at Mar 31, 2019</u> | |
| Name of Shareholder | 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: | | | | |
| | <u>As at Mar 31, 2020</u> | | <u>As at Mar 31, 2019</u> | |
| Name of Shareholder | 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% |
| 11 Other equity | 1,974,623 | 149,335,801 | 1,974,623 | 135,557,601 |
| Capital reserve b/f | <u>1,974,623</u> | <u>149,335,801</u> | <u>1,974,623</u> | <u>135,557,601</u> |
| Securities premium b/f | <u>17,567,336</u> | <u>1,328,573,703</u> | <u>17,567,336</u> | <u>1,214,891,783</u> |
| Surplus/(Deficit) in Statement of Profit and Loss | (56,147,062) | (4,246,261,932) | (58,973,430) | (4,078,383,627) |
| Balance as at the beginning of the period | 3,403,437 | 257,393,408 | 2,826,368 | 195,461,091 |
| Profit/(loss) for the period | <u>(52,743,625)</u> | <u>(3,988,868,524)</u> | <u>(56,147,062)</u> | <u>(3,882,922,536)</u> |
| Balance as at end of the period | <u>(33,201,666)</u> | <u>(2,510,959,020)</u> | <u>(36,605,103)</u> | <u>(2,531,473,152)</u> |



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

| | As At Mar 31, 2020 USD | As At Mar 31, 2020 INR | As At Mar 31, 2019 USD | As At Mar 31, 2019 INR |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| 12 Other financial liabilities | | | | |
| Loans from Subsidiaries | | | | |
| Holding company | 37,929,096 | 2,868,482,734 | 37,929,096 | 2,623,035,587 |
| | <u>37,929,096</u> | <u>2,868,482,734</u> | <u>37,929,096</u> | <u>2,623,035,587</u> |
| 13 Trade payables | | | | |
| Due to: | | | | |
| Holding company | 443,263 | 33,522,846 | 418,488 | 28,941,077 |
| Other related parties | 1,762,401 | 133,292,790 | 1,445,414 | 99,959,490 |
| Others | 254,616 | 19,255,986 | 438,275 | 30,309,740 |
| | <u>2,460,370</u> | <u>186,071,623</u> | <u>2,302,181</u> | <u>159,210,307</u> |
| 14 Current tax liabilities (net) | | | | |
| Provision for Taxation | 119,100 | 9,007,235 | 304,704 | 21,072,183 |
| Advance Income tax | 31,769 | 2,402,627 | 31,769 | 2,197,042 |
| Current tax liabilities (net) | <u>87,331</u> | <u>6,604,608</u> | <u>272,935</u> | <u>18,875,141</u> |



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, 2020 USD | Mar 31, 2020 INR | Mar 31, 2019 USD | Mar 31, 2019 INR |
| 15 Revenue from operations | | | | |
| Revenue from software development and related services | 13,888,074 | 1,050,320,326 | 13,491,031 | 932,989,618 |
| | <u>13,888,074</u> | <u>1,050,320,326</u> | <u>13,491,031</u> | <u>932,989,618</u> |
| 16 Other income | | | | |
| Miscellaneous Income | 58,701 | 4,439,380 | 92,488 | 6,396,135 |
| | <u>58,701</u> | <u>4,439,380</u> | <u>92,488</u> | <u>6,396,135</u> |
| 17 Employee benefits expense | | | | |
| Salaries, allowances and bonus | 4,373,581 | 330,762,960 | 4,631,456 | 320,294,284 |
| Staff welfare | 864,815 | 65,403,798 | 823,778 | 56,969,452 |
| | <u>5,238,396</u> | <u>396,166,758</u> | <u>5,455,234</u> | <u>377,263,736</u> |
| 18 Other operating costs | | | | |
| Project work expenses | 5,171,922 | 391,139,508 | 5,069,219 | 350,568,410 |
| Rent* | 6,456 | 488,251 | 24,104 | 1,666,943 |
| Recruitment and relocation | 301 | 22,771 | - | - |
| Communication | 155 | 11,697 | 6,089 | 421,126 |
| Travel | 26,901 | 2,034,460 | 45,248 | 3,129,166 |
| Repairs and maintenance | - | - | - | - |
| - Others | - | - | 2,777 | 192,039 |
| Legal & professional | 274,764 | 20,779,742 | 22,650 | 1,566,399 |
| Printing & stationery | 70 | 5,311 | - | - |
| Business promotion | - | - | 15,098 | 1,044,122 |
| Directors' sitting fees | 3,600 | 272,259 | - | - |
| Bank charges | 3,471 | 262,529 | 3,139 | 217,104 |
| Provision for bad & doubtful debts | - | - | 57,942 | 4,007,026 |
| Miscellaneous expenses | 757 | 57,248 | 5,651 | 390,778 |
| | <u>5,488,397</u> | <u>415,073,775</u> | <u>5,251,917</u> | <u>363,203,113</u> |

* Represents lease rentals for short term leases and leases of low value assets



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

19. Income tax recognised in Statement of profit and loss

| Particulars | In USD | | In INR | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | For the Year ended March 31, 2020 | For the Year ended March 31, 2020 | For the Year ended March 31, 2019 | For the Year ended March 31, 2019 |
| Current tax | | | | |
| In respect of the current year/period | 119,100 | 9,007,244 | 50,000 | 3,457,815 |
| In respect of the current tax for the earlier years | (302,555) | (22,881,478) | - | - |
| Total income tax expense recognised in the current year/period relating to continuing operations | (183,455) | (13,874,235) | 50,000 | 3,457,815 |

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, 2020 | For the Year ended March 31, 2020 | For the Year ended March 31, 2019 | For the Year ended March 31, 2019 |
| Profit before tax from continuing operations | 3,219,982 | 243,519,173 | 2,875,368 | 198,918,904 |
| Income tax expense calculated at 21 % | 119,100 | 9,007,244 | 50,000 | 3,457,815 |
| Income tax expenses for the earlier years | (302,555) | (22,881,478) | - | - |
| Income tax expense recognised in profit or loss | (183,455) | (13,874,235) | 50,000 | 3,457,815 |



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

For the 12 months period ended
Mar 31, 2020 Mar 31, 2020
USD INR

For the 12 months period ended
Mar 31, 2019 Mar 31, 2019
USD INR

20 Contingent Liabilities and commitment

Contingent liabilities
Capital commitment

| As at Mar 31, 2020 USD | As at Mar 31, 2020 INR | As at Mar 31, 2019 USD | As at Mar 31, 2019 INR |
|---------------------------|---------------------------|---------------------------|---------------------------|
| Nil | Nil | Nil | Nil |
| 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 in US geographical segment.



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 | | |
| (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 | 2020 | (1,576,644) | | | | | | | | | | |
| | | | | 2019 | 1,566,734 | | | | (2,387,452) | | | | | | |
| | | | | 2020 | (431,348) | | | | | | | | | | |
| | | | | 2019 | (37,520,097) | | | | | | | | | | |
| (ii) | 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 | 2020 | | | | | | | | | | | |
| | | | | 2019 | | | | | | | | | | | |
| | | | | 2020 | | | | | | | | | | | |
| | | | | 2019 | | | | | | | | | | | |
| (iii) | Xchanging US, Ltd. | Fellow subsidiary | Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / (Payable) at the end of the period | 2020 | | | | | | | | | | | |
| | | | | 2019 | | | | | | | | | | | |
| | | | | 2020 | | | | | | | | | | | |
| | | | | 2019 | | | | | | | | | | | |



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 |
| (iv) | 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 | (1,537,807) 1,228,155 | (123,872,296) 95,151,170 | (408,064) | (1,141,361) (1,085,718) | (2,750) 3,078 | (190,101) 212,659 | | | | | | |
| (v) | Xchanging Technology Services India P.V. Fellow subsidiary | Fellow subsidiary | Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / Payable at the end of the period | (5,670,272) 5,791,054 | (428,829,525) 434,937,811 | (87,384,379) | (4,801,545) 7,504,525 | (1,636,371) | (318,272,919) 518,685,355 | | | | | | |
| (vi) | Computer Science Corporation | Related Party | Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / Payable at the end of the period | 165,678 (152,452) | 12,832,306 (14,357,545) | 13,968 | 202,942 (105,113) | 35,784 | 14,035,264 (11,401,244) | | | | | | |
| (vii) | OSG Corp - FSC US | Related Party | Inter-Company Revenue Payments made / received Trade Receivables / Payable at the end of the period | (282,757) 194,800 363,251 | (21,384,227) 194,800 25,740,560 | 295,293 | | 22,312,267 | | | | | | | |
| (viii) | DIX TECHNOLOGY SERVICES LLC - Fellow subsidiary | Fellow subsidiary | Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / Payable at the end of the period | | | | | | | | | | | | |
| (ix) | Xchanging Global Insurance Solutions - Fellow subsidiary | Fellow subsidiary | Expenses reimbursed / incurred to / for related party Payments made / received Trade Receivables / Payable at the end of the period | | | | | | | | | | | | |
| (x) | Xchanging Systems & Services Inc. - US Fellow subsidiary | US 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.

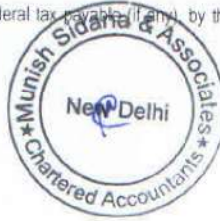
Notes forming part of the financial statements

23 Lease disclosures

Office and Office Equipment are obtained under operating lease, whereby the lease is renewable on monthly basis. Expense for such 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.



Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

25 Financial Instruments

25.01 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.

25.02 Disclosure and Categories of financial instruments

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

25.03 Categories of financial instruments

| Particulars | USD | INR | USD | INR |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2019 |
| Financial assets | | | | |
| <u>Measured at amortised cost</u> | | | | |
| (a) Cash and bank balances | 14,801,856 | 1,119,427,381 | 11,113,577 | 768,573,725 |
| (b) Bank balances other than above | 2,375,967 | 179,688,403 | 2,688,224 | 185,907,578 |
| (c) Other financial assets at amortised cost | | | | |
| <u>Measured at Cost</u> | | | | |
| Investments | 27,370 | 2,069,925 | 27,370 | 1,892,808 |
| Financial liabilities | | | | |
| <u>Measured at amortised cost</u> | | | | |
| Other financial liability at amortised cost | 40,476,797 | 3,061,158,965 | 40,504,212 | 2,801,121,014 |

25.04 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

25.05 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

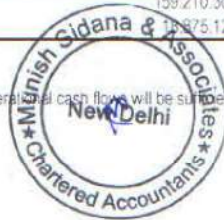
| As at March 31, 2020 | (Amount in USD) | | |
|------------------------------|-----------------|------------|------------|
| | Less than 1 yrs | 1 to 5 yrs | >5 Yrs |
| Trade Payables | 2,460,370 | | 2,460,370 |
| Other Financials liabilities | 87,331 | 37,929,096 | 38,016,427 |

| As at March 31, 2020 | (Amount in INR) | | |
|------------------------------|-----------------|---------------|---------------|
| | Less than 1 yrs | 1 to 5 yrs | >5 Yrs |
| Trade Payables | 186,071,623 | | 186,071,623 |
| Other Financials liabilities | 6,604,608 | 2,868,462,734 | 2,675,097,342 |

| As at March 31, 2019 | (Amount in USD) | | |
|------------------------------|-----------------|------------|------------|
| | Less than 1 yrs | 1 to 5 yrs | >5 Yrs |
| Trade Payables | 2,302,181 | | 2,302,181 |
| Other Financials liabilities | 272,935 | 37,929,096 | 38,202,031 |

| As at March 31, 2019 | (Amount in INR) | | |
|------------------------------|-----------------|---------------|---------------|
| | Less than 1 yrs | 1 to 5 yrs | >5 Yrs |
| Trade Payables | 159,210,307 | | 159,210,307 |
| Other Financials liabilities | 1,875,120 | 2,623,035,587 | 2,641,910,707 |

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

- 26 **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



Place: New Delhi
Date: May 21, 2020

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

A handwritten signature in blue ink, appearing to be "Chad..." followed by a flourish.

Director

Xchanging Solutions (Europe) Ltd. is under liquidation, hence the financials are not signed.

Xchanging Solutions (Europe) Ltd.

Balance Sheet as at March 31, 2020

| | Notes | As At Mar 31, 2020 GBP | As At Mar 31, 2020 INR | As At Mar 31, 2019 GBP | As At Mar 31, 2019 INR |
|-------------------------------|-------|------------------------------|------------------------------|------------------------------|------------------------------|
| ASSETS | | | | | |
| Current assets | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 5 | - | - | 4,41,139 | 3,96,56,750 |
| Other financial assets | 6 | 4,206 | 3,93,373 | 556 | 50,026 |
| Total Current Assets | | <u>4,206</u> | <u>3,93,373</u> | <u>4,41,695</u> | <u>3,97,06,776</u> |
| Total Assets | | <u><u>4,206</u></u> | <u><u>3,93,373</u></u> | <u><u>4,41,695</u></u> | <u><u>3,97,06,776</u></u> |
| EQUITY AND LIABILITIES | | | | | |
| Shareholders' Funds | | | | | |
| Equity Sharecapital | 7 | 1 | 94 | 26,64,278 | 23,95,08,654 |
| Reserves and surplus | 8 | 4,205 | 3,93,280 | (22,22,583) | (19,98,01,878) |
| Total Equity | | <u>4,206</u> | <u>3,93,373</u> | <u>4,41,695</u> | <u>3,97,06,776</u> |

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

For Xchanging Solutions Europe Ltd. (in Liquidation)

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

Liquidator

Place: New Delhi
Date: May 21, 2020

Xchanging Solutions (Europe) Ltd.

Statement of Profit and Loss for the period ended March 31, 2020

| | Notes | For the 12 months period ended | | For the 12 months period ended | |
|---|-------|--------------------------------|-----------------|--------------------------------|------------------|
| | | Mar 31, 2020 | Mar 31, 2020 | Mar 31, 2019 | Mar 31, 2019 |
| | | GBP | INR | GBP | INR |
| Income | | | | | |
| Other income | 9 | - | - | 12,845 | 11,54,686 |
| | | <u>-</u> | <u>-</u> | <u>12,845</u> | <u>11,54,686</u> |
| Expenses | | | | | |
| Other operating costs | 10 | 801 | 74,906 | 5,513 | 4,95,557 |
| | | <u>801</u> | <u>74,906</u> | <u>5,513</u> | <u>4,95,557</u> |
| Profit/(loss) for the year before tax | | (801) | (74,906) | 7,332 | 6,59,129 |
| Tax expense | | - | - | - | - |
| Profit/(loss) for the year after tax | | (801) | (74,906) | 7,332 | 6,59,129 |
| | | <u>(801)</u> | <u>(74,906)</u> | <u>7,332</u> | <u>6,59,129</u> |
| Earnings/(Loss) per share {Equity shares, par value of GBP1 (2019 : GBP 1)} | | | | | |
| Basic and diluted | | (801) | (74,906) | 0.00 | 0.25 |
| | | <u>(801)</u> | <u>(74,906)</u> | <u>0.00</u> | <u>0.25</u> |
| Weighted average number of equity shares used in computing earning/(loss) per share | | | | | |
| Basic and diluted | | 1 | 1 | 26,64,278 | 26,64,278 |
| | | <u>1</u> | <u>1</u> | <u>26,64,278</u> | <u>26,64,278</u> |

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

For Xchanging Solutions Europe Ltd. (in Liquidation)

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

Liquidator

Place: New Delhi
Date: May 21, 2020

Xchanging Solutions (Europe) Ltd.

Cash Flow Statement for the Period ended March 31, 2020

| | For the 12 months period ended | | For the 12 months period ended | |
|--|--------------------------------|--------------------|--------------------------------|--------------------|
| | Mar 31, 2020 | Mar 31, 2020 | Mar 31, 2019 | Mar 31, 2019 |
| | GBP | INR | GBP | INR |
| A. Cash flow from operating activities | | | | |
| Profit/ (loss) for the period | (801) | (74,906) | 7,332 | 6,59,129 |
| Adjustments for: | | | | |
| Write back of Liabilities | - | - | 12,500 | 11,23,703 |
| Operating profit before working capital changes | (801) | (74,906) | 19,832 | 17,82,832 |
| Movements in working capital : | | | | |
| Decrease / (Increase) in sundry debtors | - | - | 22,666 | 20,37,563 |
| Decrease / (Increase) in loans and advances and other current assets | (3,649) | (3,41,322) | (556) | (50,026) |
| Increase / (Decrease) in current liabilities and provisions | (0) | - | (34,426) | (30,94,723) |
| Net Cash from/ (used in) operations | (4,450) | (4,16,228) | 7,516 | 6,75,646 |
| Income Tax (Paid)/Refund , net | - | - | - | - |
| Net cash from/ (used in) Operating activities | (4,450) | (4,16,228) | 7,516 | 6,75,646 |
| Net increase/ (decrease) in cash and cash equivalents | (4,450) | (4,16,228) | 7,516 | 6,75,646 |
| Cash and cash equivalents at the beginning of the year | 4,41,139 | 4,12,61,759 | 4,33,623 | 3,89,81,104 |
| Cash and cash equivalents at the end of the period | 4,36,689 | 4,08,45,531 | 4,41,139 | 3,96,56,750 |
| Components of cash and cash equivalents: | | | | |
| Balances with banks | | | | |
| in current account | - | - | 4,41,139 | 3,96,56,750 |
| | - | - | 4,41,139 | 3,96,56,750 |

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

For Xchanging Solutions Europe Ltd. (in Liquidation)

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

Liquidator

Place: New Delhi
Date: May 21, 2020

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

Statement of Changes in Equity for the Year ended March 31, 2020

| a EQUITY SHARE CAPITAL | GBP | INR |
|---|------------------|---------------------|
| Balance at April 1, 2018 | 26,64,278 | 24,36,38,365 |
| Changes in equity share capital during the year | - | - |
| Exchange rate movement | - | (41,29,711) |
| Balance at March 31, 2019 | 26,64,278 | 23,95,08,654 |
| Changes in equity share capital during the year | (26,64,277) | (24,92,02,083) |
| Exchange rate movement | - | 96,93,523 |
| Balance at March 31, 2020 | 1 | 94 |

b OTHER EQUITY

| Particulars | Retained earnings (GBP) | Retained earnings (INR) | Total Equity (GBP) | Total Equity (INR) |
|-------------------------------------|----------------------------|----------------------------|-----------------------|-----------------------|
| Balance as of April 1, 2018 | (22,29,915) | (20,39,17,442) | (22,29,915) | (20,39,17,442) |
| Profit/(Loss) for the period | 7,332 | 6,59,129 | 7,332 | 6,59,129 |
| Exchange rate movement | - | 34,56,434 | - | 34,56,434 |
| Balance as of March 31, 2019 | (22,22,583) | (19,98,01,879) | (22,22,583) | (19,98,01,879) |

| Particulars | Retained earnings (GBP) | Retained earnings (INR) | Total Equity (GBP) | Total Equity (INR) |
|-------------------------------------|----------------------------|----------------------------|-----------------------|-----------------------|
| Balance as of April 1, 2019 | (22,22,583) | (19,98,01,879) | (22,22,583) | (19,98,01,879) |
| Profit/(Loss) for the period | (801) | (74,906) | (801) | (74,906) |
| Dividend Paid (Refer note 15) | (4,36,689) | (4,08,45,531) | (4,36,689) | (4,08,45,531) |
| Capital Reduction | 26,64,277 | 24,92,02,083 | 26,64,277 | 24,92,02,083 |
| Exchange rate movement | - | (80,86,488) | - | (80,86,488) |
| Balance as of March 31, 2020 | 4,205 | 3,93,280 | 4,205 | 3,93,280 |

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

For Xchanging Solutions Europe Ltd. (in Liquidation)

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

Liquidator

Place: New Delhi
Date: May 21, 2020

Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

| | As At Mar 31, 2020 GBP | As At Mar 31, 2020 INR | As At Mar 31, 2019 GBP | As At Mar 31, 2019 INR |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| 5 Cash and cash equivalents | | | | |
| Balances with Banks | | | | |
| - Current accounts | | - | 4,41,139 | 3,96,56,750 |
| | <u>-</u> | <u>-</u> | <u>4,41,139</u> | <u>3,96,56,750</u> |
| 6 Other financial assets | | | | |
| <i>(Unsecured considered good, unless otherwise stated)</i> | | | | |
| Holding Company | 4,206 | 3,93,373 | - | - |
| Balances with Government. Authorities | | - | 556 | 50,026 |
| | <u>4,206</u> | <u>3,93,373</u> | <u>556</u> | <u>50,026</u> |

Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

| | As At Mar 31, 2020 GBP | As At Mar 31, 2020 INR | As At Mar 31, 2019 GBP | As At Mar 31, 2019 INR |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| 7 Share Capital | | | | |
| Authorised capital: | | | | |
| 5,000,000 (Previous Year 5,000,000) Equity Shares of GBP 1 Each | 50,00,000 | 44,94,81,350 | 50,00,000 | 44,94,81,350 |
| Issued, subscribed and paid up capital: | | | | |
| 1 (Previous Year 2,664,278) Equity Shares of GBP 1 Each fully paid up | 1 | 94 | 26,64,278 | 23,95,08,654 |
| | 1 | 94 | 26,64,278 | 23,95,08,654 |

(i) Reconciliation of number of shares

| | As at Mar 31, 2020 | | As at Mar 31, 2019 | |
|--|--------------------|---------------|--------------------|---------------------|
| | Number of Shares | Amount in GBP | Number of Shares | Amount in GBP |
| Equity Shares | | | | |
| Shares outstanding at the beginning of the period | 26,64,278 | 24,92,02,177 | 26,64,278 | 23,95,08,654 |
| Add / (Less): Movement for the period | 26,64,277 | 24,92,02,083 | | |
| Shares outstanding at the end of the period | 1 | 94 | 26,64,278 | 23,95,08,654 |

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

| | As at Mar 31, 2020 | | As at Mar 31, 2019 | |
|---|--------------------|--------|--------------------|-----------|
| Name of Shareholder | Number of Shares | Amount | Number of Shares | Amount |
| Xchanging Solutions Ltd, India, Holding Company | 1 | 1 | 26,64,278 | 26,64,278 |

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

| | As at Mar 31, 2020 | | As at Mar 31, 2019 | |
|---|-----------------------|------------|-----------------------|------------|
| Name of Shareholder | Number of Shares held | Percentage | Number of Shares held | Percentage |
| Xchanging Solutions Ltd, India, Holding Company | 1 | 100.00% | 26,64,278 | 100.00% |

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, 2020 | Mar 31, 2020 | Mar 31, 2019 | Mar 31, 2019 |
| | GBP | INR | GBP | INR |
| 9 Other income | | | | |
| Writeback of Provision | | | 12,500 | 11,23,703 |
| Miscellaneous Income | | | 345 | 30,983 |
| | - | - | 12,845 | 11,54,686 |
| 10 Other operating costs | | | | |
| Travel | | | 2,538 | 2,28,157 |
| Rates and Taxes | | | 750 | 67,422 |
| Bank charges | | | 2,196 | 1,97,416 |
| Miscellaneous expenses | 801 | 74,906 | 29 | 2,562 |
| | 801 | 74,906 | 5,513 | 4,95,557 |

11 Contingent Liabilities and commitment

| | As at Mar 31, 2020 | As at Mar 31, 2020 | As at Mar 31, 2019 | As at Mar 31, 2019 |
|------------------------|--------------------|--------------------|--------------------|--------------------|
| | GBP | INR | GBP | INR |
| Contingent liabilities | Nil | Nil | Nil | Nil |
| Capital commitment | Nil | Nil | Nil | Nil |

12 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

13 Related Party Disclosures

| S No. | Name of the related party | Relationship | Nature of transaction | Transactions | Receivable / (Payable) | Transactions | Receivable / (Payable) | Transactions | Receivable / (Payable) | Transactions | Receivable / (Payable) |
|-------|--------------------------------------|-------------------|---|---|------------------------------|---|------------------------------|---|------------------------------|---|------------------------------|
| | | | | For the 12 Month Period Ended Mar 31, 2020 GBP | As At Mar 31, 2020 GBP | For the 12 Month Period Ended Mar 31, 2020 INR | As At Mar 31, 2020 INR | For the 12 Month Period Ended Mar 31, 2019 GBP | As At Mar 31, 2019 GBP | For the 12 Month Period Ended Mar 31, 2019 INR | As At Mar 31, 2019 INR |
| (i) | Xchanging Solutions Limited, India | Holding company | Expenses reimbursed / incurred to / for related party | (4,36,689) | | (4,08,45,531) | | - | | - | |
| | | | Payments made / received | 4,40,895 | | 4,12,38,904 | | - | | - | |
| | | | Trade Receivables / (Payable) at the end of the period | | 4,206 | | 3,93,373 | | - | | - |
| (ii) | Xchanging Global Insurance Solutions | Fellow subsidiary | Expenses reimbursed / incurred to / for related party | | | | | (4,211) | | (3,78,542) | |
| | | | Payments made / received | | | | | 4,211 | | 3,78,542 | |
| | | | Trade Receivables / (Payable) at the end of the period | | | | | | | - | |
| (iii) | Xchanging Technology Services Ltd | Fellow subsidiary | Expenses reimbursed / incurred to / for related party | | | | | 7,658 | | 6,88,382 | |
| | | | Payments made / received | | | | | (30,323) | | (27,25,944) | |
| | | | Trade Receivables / (Payable) at the end of the period | | | | | | | - | |

Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

13 Related Party Disclosures

| S No. | Name of the related party | Relationship | Nature of transaction | Transactions | Receivable / (Payable) | Transactions | Receivable / (Payable) | Transactions | Receivable / (Payable) | Transactions | Receivable / (Payable) |
|-------|----------------------------|---------------|---|--|---------------------------|--|---------------------------|--|---------------------------|--|---------------------------|
| | | | | For the 12 Month Period Ended Mar 31, 2020 | As At Mar 31, 2020 | For the 12 Month Period Ended Mar 31, 2020 | As At Mar 31, 2020 | For the 12 Month Period Ended Mar 31, 2019 | As At Mar 31, 2019 | For the 12 Month Period Ended Mar 31, 2019 | As At Mar 31, 2019 |
| | | | | GBP | GBP | INR | INR | GBP | GBP | INR | INR |
| (iv) | CSC Computer Sciences Ltd. | Related Party | Expenses reimbursed / incurred to / for related party | | | | | (18,679) | | (16,79,145) | |
| | | | Payments made / received | | | | | 18,679 | | 16,79,145 | |
| | | | <i>Trade Receivables / (Payable) at the end of the period</i> | | | | | | - | | - |

Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

14 Leases

Operating/Finance Lease commitments

The Company has no operating/finance lease arrangement.

- 15 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. Shareholders of the Company has approved liquidation of Xchanging Solutions (Europe) Ltd., on May 23, 2019.

Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

16 Financial instruments

4.16.01 Disclosure and Categories of financial instruments

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

4.16.02 Categories of financial instruments

| Particulars | GBP | GBP |
|---|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Financial assets | | |
| <u>Measured at amortised cost</u> | | |
| (a) Cash and bank balances | - | 4,41,139 |
| (b) Other financial assets at amortised cost | 4,206 | 556 |
| Financial liabilities | | |
| <u>Measured at amortised cost</u> | | |
| (a) Trade Payables | - | - |
| (b) Other financial liability at amortised cost | - | - |

4.16.03 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

17 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

For Xchanging Solutions Europe Ltd. (in Liquidation)

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

Liquidator

Place: New Delhi
Date: May 21, 2020



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 2020, 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, 2020, 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.

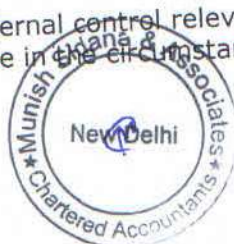
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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, 2020, taken on record by the Board of Directors, none of the directors is disqualified as



on 31st March, 2020, 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, 2020



Xchanging Solutions (Singapore) Pte Ltd

Balance Sheet as at March 31, 2020

| | Notes | As At | | As At | |
|-------------------------------------|-------|---------------------|---------------------|---------------------|---------------------|
| | | Mar 31, 2020 SGD | Mar 31, 2020 INR | Mar 31, 2019 SGD | Mar 31, 2019 INR |
| ASSETS | | | | | |
| Non-current Assets | | | | | |
| Fixed assets | | | | | |
| Property, plant and equipment | 4 | 4,251 | 225,692 | 14,715 | 751,082 |
| Right of use assets | 5 | 87,852 | 4,663,780 | - | - |
| Intangible assets | 6 | 1,119 | 59,404 | - | - |
| Financial assets | | | | | |
| Non-current investments | 7 | 117,700 | 6,248,328 | 117,700 | 6,007,828 |
| Other financial assets | 8 | - | - | 20,000.00 | 1,020,871.40 |
| Total Non-current Assets | | 210,922 | 11,197,204 | 152,415 | 7,779,782 |
| Current assets | | | | | |
| Financial assets | | | | | |
| Trade receivables | 9 | 1,660,142 | 88,131,792 | 2,438,722 | 124,481,062 |
| Cash and cash equivalents | 10 | 9,120,361 | 484,171,710 | 6,390,567 | 326,197,339 |
| Bank balances other than above | 11 | 187,881 | 9,973,993 | 219,069 | 11,182,056 |
| Other financial assets | 8 | 2,137,039 | 113,448,773 | 1,658,541 | 84,657,872 |
| Total Current Assets | | 13,105,423 | 695,726,269 | 10,706,899 | 546,518,329 |
| Total Assets | | 13,316,345 | 706,923,473 | 10,859,313 | 554,298,111 |
| EQUITIES AND LIABILITIES | | | | | |
| Shareholders' Funds | | | | | |
| Equity share capital | 12 | 2,300,000 | 122,099,870 | 2,300,000 | 117,400,211 |
| Other equity | 12 | 8,068,049 | 428,307,730 | 5,734,017 | 292,684,706 |
| Total Equity | | 10,368,049 | 550,407,600 | 8,034,017 | 410,084,917 |
| Current liabilities | | | | | |
| Financial liabilities | | | | | |
| Lease liabilities | 27 | 89,132 | 4,731,742 | - | - |
| Trade payables | 13 | 2,200,725 | 116,829,673 | 2,145,719 | 109,525,136 |
| Other current liabilities | 14 | 290,029 | 15,396,728 | 353,849 | 18,061,701 |
| Current tax liabilities (net) | 15 | 368,409 | 19,557,731 | 325,729 | 16,626,363 |
| Total Current Liabilities | | 2,948,295 | 156,515,874 | 2,825,297 | 144,213,200 |
| Total Equity and Liabilities | | 13,316,345 | 706,923,473 | 10,859,314 | 554,298,117 |

See accompanying notes forming part of the financial statements

In terms of our report attached

For Munish Sidana & Associates
Chartered Accountants

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

Place: New Delhi
Date: May 21, 2020



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

[Signature] Director

Xchanging Solutions (Singapore) Pte Ltd

Statement of Profit and Loss for the 12 months period ended March 31, 2020

| | Notes | For the 12 Month Period Ended | | For the 12 Month Period Ended | |
|---|-------|-------------------------------|--------------------|-------------------------------|--------------------|
| | | Mar 31, 2020 | Mar 31, 2020 | Mar 31, 2019 | Mar 31, 2019 |
| | | SGD | INR | SGD | INR |
| Revenue | | | | | |
| Revenues from operation | 16 | 10,813,010 | 574,029,166 | 10,661,997 | 544,226,415 |
| Other income | 17 | 107,884 | 5,727,261 | 432,392 | 22,070,807 |
| Total revenue | | <u>10,920,894</u> | <u>579,756,427</u> | <u>11,094,389</u> | <u>566,297,222</u> |
| Expenses | | | | | |
| Employee costs | 18 | 3,600,182 | 191,122,490 | 4,787,357 | 244,363,799 |
| Other operating costs | 19 | 4,410,272 | 234,127,688 | 3,894,715 | 198,800,139 |
| Finance costs | 20 | 4,147 | 220,130 | - | - |
| Depreciation and amortisation expense | 21 | 131,708 | 6,991,995 | 18,445 | 941,514 |
| Total expenses | | <u>8,146,309</u> | <u>432,462,303</u> | <u>8,700,517</u> | <u>444,105,452</u> |
| Profit for the year before tax | | <u>2,774,585</u> | <u>147,294,125</u> | <u>2,393,872</u> | <u>122,191,769</u> |
| Tax expense | 22 | 440,553 | 23,387,578 | 370,981 | 18,936,198 |
| Profit/(loss) for the year after tax | | <u>2,334,032</u> | <u>123,906,547</u> | <u>2,022,891</u> | <u>103,255,572</u> |
| Earnings per share [Ordinary shares, par value SGD 1 each] Basic and Diluted | | <u>1.01</u> | <u>53.87</u> | <u>0.88</u> | <u>44.89</u> |
| Weighted average number of ordinary shares used in computing earning per share Basic and Diluted | | <u>2,300,000</u> | <u>2,300,000</u> | <u>2,300,000</u> | <u>2,300,000</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: May 21, 2020

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

M. Patung Director

Xchanging Solutions (Singapore) Pte Ltd

Cash Flow Statement for the year ended March 31, 2020

| | For the 12 Month Period Ended | | For the 12 Month Period Ended | |
|---|-------------------------------|---------------------|-------------------------------|---------------------|
| | Mar 31, 2020 SGD | Mar 31, 2020 INR | Mar 31, 2019 SGD | Mar 31, 2019 INR |
| A. Cash flow from operating activities | | | | |
| Profit/(loss) for the year after tax | 2,334,032 | 123,906,547 | 2,022,891 | 103,255,572 |
| Adjustments for: | | | | |
| Depreciation | 131,708 | 6,991,995 | 18,445 | 941,514 |
| Tax expense | 440,553 | 23,387,578 | 370,981 | 18,936,198 |
| Interest | 21,396 | 1,135,820 | 11,809 | 602,776 |
| Finance cost including lease liability (Refer note 32) | | | | |
| Operating profit before working capital changes | 2,927,689 | 155,421,940 | 2,424,126 | 123,736,050 |
| Movements in working capital : | | | | |
| Adjustments for (increase) / decrease in operating assets: | | | | |
| Trade receivables and Other Loan & Advances | 679,016 | 36,046,864 | 117,267 | 5,985,702 |
| Adjustments for increase / (decrease) in operating liabilities: | | | | |
| Trade payables | 55,007 | 2,920,126 | 60,953 | 3,111,245 |
| Other financial liabilities and other liabilities | 25,312 | 1,343,739 | (168,024) | (8,576,534) |
| Taxes paid (net of refunds) | (397,872) | (21,121,774) | (256,930) | (13,114,606) |
| Loans & other financial assets and other assets | (358,935) | (19,054,748) | 1,244,864 | 63,542,281 |
| Net cash (used) Surplus in operating activities | 2,930,217 | 155,556,147 | 3,422,256 | 174,684,148 |
| Direct taxes paid (net of refunds) | | | | |
| Net cash used in operating activities (A) | 2,930,217 | 155,556,147 | 3,422,256 | 174,684,148 |
| B. Cash flows from investing activities | | | | |
| Purchase of fixed assets | (210,215) | (11,159,684) | (11,780) | (601,293) |
| Net cash used in investing activities (B) | (210,215) | (11,159,684) | (11,780) | (601,293) |
| C. Cash flows from financing activities | | | | |
| Repayment of Long-term borrowings | - | - | (589,661) | (30,098,415) |
| Proceeds from Bank Deposits | - | - | 710,878 | 36,285,748 |
| Interest Received | (21,396) | (1,135,821) | (11,809) | (602,776) |
| Net cash from financing activities (C) | (21,396) | (1,135,821) | 109,408 | 5,584,557 |
| Net increase in cash and cash equivalents (A + B + C) | 2,698,606 | 143,260,642 | 3,519,883 | 179,667,412 |
| Effect From Exchange Rate Charges (D) {refer note (i) below} | | | | |
| Cash and cash equivalents at the beginning of the year | 6,609,636 | 350,885,061 | 3,089,752 | 157,711,983 |
| Cash and cash equivalents at the end of the period | 9,308,242 | 494,145,704 | 6,609,636 | 337,379,395 |
| Components of cash and cash equivalents | | | | |
| Cash on hand | | | | |
| Balances with banks | 9,308,242 | 494,145,704 | 6,609,636 | 337,379,395 |
| - In Current Account | 9,308,242 | 494,145,704 | 6,609,636 | 337,379,395 |

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: May 21, 2020

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

M. Palay Director

Xchanging Solutions (Singapore) Pte Ltd
Notes Forming Part of the Financial Statement

14. Statement of Changes in Equity for the Year ended March 31, 2020

| a EQUITY SHARE CAPITAL | SGD | INR |
|---|------------------|--------------------|
| Balance at April 1, 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 |
| Changes in equity share capital during the year | - | - |
| Exchange rate movement | - | 4,849,665 |
| Balance at March 31, 2020 | 2,300,000 | 122,249,876 |

b OTHER EQUITY

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

| Particulars | Retained earnings (SGD) | Retained earnings (INR) | Total other equity (SGD) | Total other equity (INR) |
|-------------------------------------|-------------------------|-------------------------|--------------------------|--------------------------|
| Balance as of April 1, 2019 | 5,734,017 | 292,684,706 | 5,734,017 | 292,684,706 |
| Profit for the year | 2,334,032 | 123,906,547 | 2,334,032 | 123,906,547 |
| Exchange rate movement | - | 11,716,467 | - | 11,716,467 |
| Balance as of March 31, 2020 | 8,068,049 | 428,307,720 | 8,068,049 | 428,307,720 |

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, 2020

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

Director

M. Palanisamy

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, 2020 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 53.0869 and the Balance Sheet as at March 31, 2019 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 53.0869. 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 53.0869 for March 31, 2020 and at the exchange rate of SGD 1=INR 51.0436 for March 31, 2019.

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

As a lessee:

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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.

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



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

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.
- (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.



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

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.

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.



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

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 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.



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

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 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

The Company has considered internal sources of information up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables including unbilled receivables and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements..

3.1 Critical judgements in applying accounting policies

i) Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

ii) Estimation uncertainty relating to COVID-19 outbreak- The Company has considered internal sources of information up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables including unbilled receivables, intangible assets and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of 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 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 (Singapore) Pte Ltd

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.

3.21 Financial liabilities

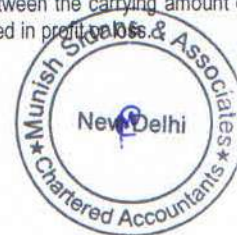
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest 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
 (All amounts in SGD unless otherwise stated)

4 PROPERTY, PLANT & EQUIPMENT

(Owned unless specified)

Carrying amounts of:

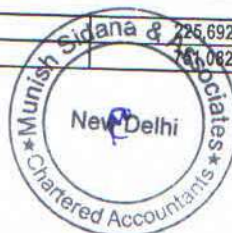
| | SGD As at 31-Mar-20 | INR As at 31-Mar-20 | SGD As at 31-Mar-19 | INR As at 31-Mar-19 |
|------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Computers | 4,251 | 225,692 | 14,715 | 751,082 |
| Office Equipment | - | - | - | - |
| | 4,251 | 225,692 | 14,715 | 751,082 |

**All figures are in SGD*

| Particulars | Computers | Office Equipment | Total |
|--|----------------|------------------|----------------|
| Gross carrying value | | | |
| Balance as at Apr 1, 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 |
| Additions | 4,069 | - | 4,069 |
| Disposals | (141,023) | (17,079) | (158,102) |
| Balance as at March 31, 2020 | 95,927 | - | 95,927 |
| Accumulated depreciation | | | |
| Balance as at April 1, 2018 | 199,721 | 17,079 | 216,800 |
| Depreciation expense | 18,445 | - | 18,445 |
| Eliminated on disposals of assets | - | - | - |
| Balance as at March 31, 2019 | 218,167 | 17,079 | 235,246 |
| Depreciation expense | 14,533 | - | 14,533 |
| Eliminated on disposals of assets | (141,023) | (17,079) | (158,102) |
| Balance as at March 31, 2020 | 91,677 | - | 91,677 |
| Net carrying value as at March 31, 2020 | 4,251 | - | 4,251 |
| Net carrying value as at March 31, 2019 | 14,715 | - | 14,715 |

**All figures are in INR*

| Particulars | Computers | Office Equipment | Total |
|--|-------------------|------------------|-------------------|
| Gross carrying value | | | |
| Balance as at April 1, 2018 | 10,992,405 | 849,110 | 11,841,515 |
| Additions | 601,293 | - | 601,293 |
| Disposals | - | - | - |
| Exchange rate movement | 293,389 | - | 293,389 |
| Balance as at March 31, 2019 | 11,887,088 | 849,110 | 12,736,198 |
| Additions | 216,017 | - | 216,017 |
| Disposals | (7,486,477) | (906,671) | (8,393,148) |
| Exchange rate movement | 475,815 | - | 475,815 |
| Balance as at March 31, 2020 | 5,092,443 | (57,561) | 5,034,882 |
| Accumulated depreciation | | | |
| Balance as at April 1, 2018 | 9,929,467 | 849,110 | 10,778,577 |
| Depreciation expense | 941,514 | - | 941,514 |
| Eliminated on disposals of assets | - | - | - |
| Exchange rate movement | 265,024 | - | 265,024 |
| Balance as at March 31, 2019 | 11,136,006 | 849,110 | 11,985,116 |
| Depreciation expense | 771,512 | - | 771,512 |
| Eliminated on disposals of assets | (7,486,477) | (906,671) | (8,393,148) |
| Exchange rate movement | 445,710 | - | 445,710 |
| Balance as at March 31, 2020 | 4,866,751 | (57,561) | 4,809,190 |
| Net carrying value as at March 31, 2020 | 225,692 | (0) | 225,692 |
| Net carrying value as at March 31, 2019 | 751,082 | - | 751,082 |



5 Movement in Right of Use assets:

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

| Particulars | SGD | INR |
|---|---------------|------------------|
| Balance as at April 1, 2019 | - | - |
| Reclassified on account of adoption of IND AS 116 | 204,986 | 10,882,086 |
| Additions | - | - |
| Depreciation | (117,134) | (6,218,306) |
| Balance as at March 31, 2020 | 87,852 | 4,663,780 |

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

6 Intangible assets

| Carrying amounts of: | SGD | INR | SGD | INR |
|----------------------|--------------------|--------------------|--------------------|--------------------|
| | As at 31-Mar-20 | As at 31-Mar-20 | As at 31-Mar-19 | As at 31-Mar-19 |
| Computer Software | 1,119 | 59,404 | - | - |
| | <u>1,119</u> | <u>59,404</u> | <u>-</u> | <u>-</u> |

| Particulars | SGD | INR | SGD | INR |
|--|-------------------|-------------------|--------------|---------------|
| | Computer Software | Computer Software | Total | Total |
| Gross carrying value | | | | |
| Balance as at April 1, 2018 | - | - | - | - |
| Additions | - | - | - | - |
| Disposals | - | - | - | - |
| Balance as at March 31, 2019 | - | - | - | - |
| Additions | 1,160 | 61,581 | 1,160 | 61,581 |
| Disposals | - | - | - | - |
| Exchange rate movement | - | - | - | - |
| Balance as at March 31, 2020 | 1,160 | 61,581 | 1,160 | 61,581 |
| Accumulated amortisation | | | | |
| Balance as at April 1, 2018 | - | - | - | - |
| Amortisation expense | - | - | - | - |
| Disposals | - | - | - | - |
| Balance as at March 31, 2019 | - | - | - | - |
| Amortisation expense | 41 | 2,177 | 41 | 2,177 |
| Disposals | - | - | - | - |
| Exchange rate movement | - | - | - | - |
| Balance as at March 31, 2020 | 41 | 2,177 | 41 | 2,177 |
| Net carrying value as at March 31, 2020 | 1,119 | 59,404 | 1,119 | 59,404 |
| Net carrying value as at March 31, 2019 | - | - | - | - |



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

| | As At Mar 31, 2020 | As At Mar 31, 2020 | As At Mar 31, 2019 | As At Mar 31, 2019 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | SGD | INR | SGD | INR |
| 7 Non Current Investments | | | | |
| <i>(Unquoted, at cost, fully paid-up)</i> | | | | |
| In Subsidiary companies (Long term): | | | | |
| In Xchanging Solutions (Malaysia) -Sdn Bhd | | | | |
| 250,000 (2019: 250,000) Equity Shares of RM 1 each | 117,700 | 6,248,328 | 117,700 | 6,007,828 |
| | <u>117,700</u> | <u>6,248,328</u> | <u>117,700</u> | <u>6,007,828</u> |
| 8 Other financial assets | | | | |
| Non-Current | | | | |
| <i>Unsecured considered good, unless otherwise stated</i> | | | | |
| Security deposits | - | - | 20,000 | 1,020,871 |
| | <u>-</u> | <u>-</u> | <u>20,000</u> | <u>1,020,871</u> |
| Current | | | | |
| <i>Unsecured considered good, unless otherwise stated</i> | | | | |
| Security deposits | 20,000 | 1,061,738 | - | - |
| Prepaid expenses | 14,352 | 761,882 | 5,605 | 286,117 |
| Other Loans and Advances | 100,871 | 5,354,929 | 10,054 | 513,179 |
| Unbilled Revenue | 2,001,816 | 106,270,230 | 1,642,882 | 83,858,582 |
| | <u>2,137,039</u> | <u>113,448,779</u> | <u>1,658,541</u> | <u>84,657,878</u> |
| 9 Trade receivable | | | | |
| Unsecured, considered good | 1,660,142 | 88,131,792 | 2,438,722 | 124,481,062 |
| | <u>1,660,142</u> | <u>88,131,792</u> | <u>2,438,722</u> | <u>124,481,062</u> |
| 10 Cash and cash equivalents | | | | |
| Balances with Banks | | | | |
| - in Current Accounts | 9,120,361 | 484,171,710 | 6,390,567 | 326,197,339 |
| | <u>9,120,361</u> | <u>484,171,710</u> | <u>6,390,567</u> | <u>326,197,339</u> |
| 11 Other Bank Balances | | | | |
| - Long Term Deposit with maturity more than 3 months but less than 12 months | 187,881 | 9,973,993 | 219,069 | 11,182,056 |
| | <u>187,881</u> | <u>9,973,993</u> | <u>219,069</u> | <u>11,182,056</u> |



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

| 12 Share Capital | As At | As At | As At | As At |
|---|---------------------|---------------------|---------------------|---------------------|
| | Mar 31, 2020 SGD | Mar 31, 2020 INR | Mar 31, 2019 SGD | Mar 31, 2019 INR |
| Authorised capital: 5,000,000 (2019: 5,000,000) ordinary shares of SGD 1 each | 5,000,000 | 265,434,500 | 5,000,000 | 255,217,850 |
| Issued, subscribed and paid up capital: 2,300,000 (2019: 2,300,000) ordinary shares of SGD 1 each full paid up | 2,300,000 | 122,099,870 | 2,300,000 | 117,400,211 |
| | <u>2,300,000</u> | <u>122,099,870</u> | <u>2,300,000</u> | <u>117,400,211</u> |

(i) Reconciliation of number of shares

Equity Shares

| | As at Mar 31, 2020 | | As at Mar 31, 2019 | |
|---|--------------------|------------------|--------------------|------------------|
| | 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 | <u>2,300,000</u> | <u>2,300,000</u> | <u>2,300,000</u> | <u>2,300,000</u> |

(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, 2020 | | As at Mar 31, 2019 | |
|-----------------------------------|--------------------|------------|--------------------|------------|
| | 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

| | As At Mar 31, 2020 | As At Mar 31, 2020 | As At Mar 31, 2019 | As At Mar 31, 2019 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | SGD | INR | SGD | INR |
| 13 Trade Payable | | | | |
| Due to: | | | | |
| Other related parties | 1,227,138 | 65,144,978 | 888,240 | 45,338,930 |
| Others | 973,587 | 51,684,694 | 1,257,479 | 64,186,206 |
| | <u>2,200,725</u> | <u>116,829,673</u> | <u>2,145,719</u> | <u>109,525,136</u> |
| 14 Other current liabilities | | | | |
| Income received in advance (Unearned revenue) | - | - | 43,729 | 2,232,089 |
| Statutory dues | 208,767 | 11,082,780 | 310,120 | 15,829,612 |
| Advances from customers | 81,262 | 4,313,948 | - | - |
| | <u>290,029</u> | <u>15,396,728</u> | <u>353,849</u> | <u>18,061,701</u> |
| 15 Current tax liabilities (net) | | | | |
| Provision for Taxation | 1,023,211 | 54,319,099 | 582,659 | 29,740,965 |
| Advance Income tax | 654,801 | 34,761,372 | 256,930 | 13,114,606 |
| | <u>368,410</u> | <u>19,557,728</u> | <u>325,729</u> | <u>16,626,359</u> |



Balance Sheet Counter
Cash Flow Counter

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, 2020 SGD | Mar 31, 2020 INR | Mar 31, 2019 SGD | Mar 31, 2019 INR |
| 16 Revenue from operations | | | | |
| Revenue from Software Development and related services | 10,813,010 | 574,029,166 | 10,661,997 | 544,226,415 |
| | <u>10,813,010</u> | <u>574,029,166</u> | <u>10,661,997</u> | <u>544,226,415</u> |
| <p>The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to render services (ii) onerous obligations (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on such evaluation. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.</p> | | | | |
| 17 Other income | | | | |
| Interest Income | 21,395 | 1,135,820 | 11,809 | 602,776 |
| Other provisions no longer required written back | 10,335 | 548,655 | 38,923 | 1,986,769 |
| Liabilities no longer required written back | - | - | 362,749 | 18,515,979 |
| Net Exchange Gain | 68,037 | 3,611,883 | 8,561 | 436,963 |
| Miscellaneous Income | 8,117 | 430,903 | 10,350 | 528,320 |
| | <u>107,885</u> | <u>5,727,261</u> | <u>432,392</u> | <u>22,070,807</u> |
| 18 Employee benefit expenses | | | | |
| Salaries, Allowances and Bonus | 3,405,457 | 180,785,129 | 4,533,169 | 231,389,126 |
| Contribution to Provident Fund {refer note (i) below} | 194,725 | 10,337,361 | 251,087 | 12,816,365 |
| Staff Welfare | - | - | 3,101 | 158,308 |
| | <u>3,600,182</u> | <u>191,122,490</u> | <u>4,787,357</u> | <u>244,363,799</u> |
| <p>(i) The Company makes contribution to the Central Provident Fund in Singapore</p> | | | | |
| 19 Other operating costs | | | | |
| Rent | - | - | 93,000 | 4,747,052 |
| Project Work Expenses | 3,954,213 | 209,916,892 | 3,509,983 | 179,162,076 |
| Communication | 73,388 | 3,895,941 | 77,500 | 3,955,856 |
| Travel | 3,785 | 200,908 | 52,790 | 2,694,573 |
| Insurance | 56,147 | 2,980,663 | 67,141 | 3,427,111 |
| Recruitment and Relocation | 5,751 | 305,325 | 22,584 | 1,152,754 |
| Repairs and Maintenance | - | - | - | - |
| - Computer Equipment | 69,966 | 3,714,258 | 13,724 | 700,538 |
| Legal and Professional | 220,987 | 11,731,501 | 27,953 | 1,426,846 |
| Training and development | 1,471 | 78,104 | - | - |
| Printing & Stationery | - | - | 760 | 38,788 |
| Business Promotion | 951 | 50,501 | 4,163 | 212,479 |
| Bank charges | 9,111 | 483,670 | 8,960 | 457,334 |
| Directors' sitting fees | 5,004 | 265,665 | - | - |
| Miscellaneous Expenses | 9,499 | 504,259 | 16,157 | 824,732 |
| | <u>4,410,272</u> | <u>234,127,688</u> | <u>3,894,715</u> | <u>198,800,139</u> |
| 20 Finance costs | | | | |
| Interest expenses on lease liabilities | 4,147 | 220,130 | - | - |
| | <u>4,147</u> | <u>220,130</u> | <u>-</u> | <u>-</u> |
| 21 Depreciation and amortisation | | | | |
| Depreciation of property, plant and equipment [Refer note 4] | 14,533 | 771,512 | 18,445 | 941,514 |
| Depreciation of right of use of assets [Refer note 5] | 117,134 | 6,218,306 | - | - |
| Amortisation of intangible assets [Refer note 6] | 41 | 2,177 | - | - |
| | <u>131,708</u> | <u>6,991,995</u> | <u>18,445</u> | <u>941,514</u> |



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

| 22. Income tax recognised in Statement of profit and loss | In SGD | | In INR | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | For the Year ended March 31, 2020 | For the Year ended March 31, 2020 | For the Year ended March 31, 2019 | For the Year ended March 31, 2019 |
| Particulars | | | | |
| Current tax | 440,553 | 23,387,578 | 370,981 | 18,936,198 |
| In respect of the current year/period | - | - | - | - |
| 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, 2020 | For the Year ended March 31, 2020 | For the Year ended March 31, 2019 | For the Year ended March 31, 2019 |
| Profit before tax from continuing operations | 2,774,585 | 147,294,125 | 2,393,872 | 122,191,769 |
| Income tax expense calculated at 17 % (after other allowances and deductions) | 440,553 | 23,387,578 | 370,981 | 18,936,198 |
| Effect of unused tax losses and tax offset not recognised as deferred tax assets | - | - | - | - |
| Income tax expense recognised in profit or loss | 440,553 | 23,387,578 | 370,981 | 18,936,198 |



Balance Sheet Counter
Cash Flow Counter

Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

23 Contingent Liabilities and commitment

Contingent liabilities
Capital commitment

For the 12 Month Period Ended
Mar 31, 2020 Mar 31, 2020
SGD INR

For the 12 Month Period Ended
Mar 31, 2019 Mar 31, 2019
SGD INR

| As at | | As at | |
|--------------|--------------|--------------|--------------|
| Mar 31, 2020 | Mar 31, 2020 | Mar 31, 2019 | Mar 31, 2019 |
| SGD | INR | SGD | INR |
| Nil | Nil | Nil | Nil |
| Nil | Nil | Nil | Nil |

24 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 and Europe regions 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 and Europe geographical segments.



Xchanging Solutions (Singapore) Pte Ltd

Part of the financial statements

25 Financial Instruments

25.01 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.

25.02 Disclosure and Categories of financial instruments

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

25.03 Categories of financial instruments

| Particulars | As at March 31, 2020 SGD | As at March 31, 2020 INR | As at March 31, 2019 SGD | As at March 31, 2019 INR |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Financial assets | | | | |
| <u>Measured at amortised cost</u> | | | | |
| (a) Cash and bank balances | 9,308,242 | 494,145,704 | 6,609,636 | 337,379,395 |
| (b) Bank balances other than above | 3,797,181 | 201,580,566 | 4,117,263 | 210,159,806 |
| (c) Other financial assets at amortised cost | | | | |
| <u>Measured at Cost</u> | | | | |
| Investments | 117,700 | 6,248,328 | 117,700 | 6,007,828 |
| Financial liabilities | | | | |
| <u>Measured at amortised cost</u> | | | | |
| Trade Payable | 2,200,725 | 116,829,673 | 2,145,719 | 109,525,136 |
| Other financial liability at amortised cost | 747,570 | 39,686,201 | 679,578 | 34,688,065 |

25.04 Fair value hierarchy

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can observe. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability. 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



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

25.05 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, 2020 | Less than 1 yrs | 1 to 5 yrs | >5 Yrs | Total | |
| Trade Payables | 2,200,725 | | | | 2,200,725 |
| Other Financials liabilities | 747,570 | | | | 747,570 |
| | | | | | (Amount in INR) |
| As at March 31, 2020 | Less than 1 yrs | 1 to 5 yrs | >5 Yrs | Total | |
| Trade Payables | 116,829,673 | | | | 116,829,673 |
| Other Financials liabilities | - | | | | - |
| | | | | | (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 | 679,578 | | | | 679,578 |
| | | | | | (Amount in INR) |
| As at March 31, 2019 | Less than 1 yrs | 1 to 5 yrs | >5 Yrs | Total | |
| Trade Payables | 113,909,547 | | | | 113,909,547 |
| 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 period



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

25 Related Party Disclosures

| S No. | Name of the related party | Relationship | Nature of transaction | Transactions Receivable / (Payable) | | Transactions Receivable / (Payable) | | Transactions Receivable / (Payable) | | Transactions Receivable / (Payable) | |
|--------|--|-------------------|---|---------------------------------------|----------------------|--|---------------------------|-------------------------------------|----------------------|--|----------------------------|
| | | | | For the 12 Month Period Ended | | For the 12 Month Period Ended | | For the 12 Month Period Ended | | For the 12 Month Period Ended | |
| | | | | Mar 31, 2020 | As At Mar 31, 2020 | Mar 31, 2020 | As At Mar 31, 2020 | Mar 31, 2019 | As At Mar 31, 2019 | Mar 31, 2019 | As At Mar 31, 2019 |
| | | | | | | | | | | | |
| | | | | SGD | INR | SGD | INR | SGD | INR | SGD | 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 Trade Payables at the end of the year | 32,654 14,214 (82,286) | - - 10,202 | 1,787,136 794,551 (3,200,397) | - - 548,892 | 22,710 - (12,567) | - - 22,710 | 1,159,138 - (541,467) | - - 1,159,138 |
| (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 | - | - | - | 588,691 | - | - | 30,096,415 | - |
| (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 | - | - | - | 684,008 | (129,695) 121,742 | - | (5,454,233) 8,214,130 | (861,538) |
| (iv) | 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 | 332,948 (968,372) | - 37,420 | 17,875,084 (50,770,825) | - (12,964,825) | 51,170 669,545 (1,197,379) | - 758,269 | 34,175,954 (58,055,888) | (5,484,760) 33,796,609 |
| (v) | 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 | 394 | - | 20,884 | - | 1,155 252,198 (578,447) | - 294 | 58,940 12,872,879 (29,528,010) | (20,094) |
| (vi) | 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 | 1,784,588 (1,893,105) (514,878) | (598,371) 135,982 | 54,737,009 (89,881,710) (27,022,969) | (21,785,651) 7,189,817 | 1,018,148 (1,513,997) 401,127 | (891,328) 651,143 | (51,880,587) (77,276,826) 20,474,963 | (50,178,818) 25,123,223 |
| (vii) | 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 | (596,312) 666,582 | (108,683) | (31,658,356) 35,333,985 | (5,795,382) | (201,177) 54,607 | (178,153) | (10,268,784) 2,787,336 | (8,093,588) |
| (viii) | E-Service 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 | 402,950 (390,349) (53,185) | (417,964) 27,882 | 21,367,040 (20,722,201) (26,900,057) | (22,188,439) 1,480,190 | 178,058 12,512 (99,581) | 130,887 | 6,088,600 638,671 (3,642,118) | 6,686,954 |



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

| 26 Related Party Disclosures | | | Transactions Receivable / (Payable) | | Transactions Receivable / (Payable) | | Transactions Receivable / (Payable) | | Transactions Receivable / (Payable) | | |
|------------------------------|---------------------------------|-------------------|--|--|-------------------------------------|--|-------------------------------------|--|-------------------------------------|--|------------------------|
| S No. | Name of the related party | Relationship | Nature of transaction | For the 12 Month Period Ended Mar 31, 2020 | | For the 12 Month Period Ended Mar 31, 2019 | | For the 12 Month Period Ended Mar 31, 2019 | | For the 12 Month Period Ended Mar 31, 2018 | |
| | | | | SGD | As At Mar 31, 2020 SGD | BUR | As At Mar 31, 2020 BUR | SGD | As At Mar 31, 2019 SGD | BUR | As At Mar 31, 2018 BUR |
| (a) | 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) | | (542,130) | | 12,096 | | 517,422 | |
| (b) | No-Sure Screen 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 | 432,854 | | 22,968,240 | | 462,473 | | 22,606,289 | |
| | | | | (342,836) | | (28,517,040) | | (315,559) | | (16,107,280) | |
| | | | | | 36,728 | | 1,949,782 | | 146,913 | | 7,404,969 |
| (c) | Enterprise Services New Zealand | 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 | (18,254) | | (1,022,136) | | | | | |
| | | | | 865 | | (9,389) | | | | (976,219) | |
| (d) | Xchanging UK 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 | (37,646) | | (1,998,203) | | | | (1,998,488) | |
| | | | | 901 | | (9,842) | | | | | |
| (e) | UXC TECHNOLOGY SERVICES LLC | 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 | (136,852) | | (7,295,065) | | | | (2,882,110) | |
| | | | | 98,234 | | (26,618) | | | | | |
| (f) | Service Mesh Inc. | 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 | (40,918) | | (2,845,592) | | | | (428,460) | |
| | | | | 41,848 | | (8,071) | | | | 2,221,581 | |



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

27 Leases

(Refer note 3.4)

A. Break-up of current and non-current lease liabilities :

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

| Particulars | SGD | INR |
|-------------------------------|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2020 |
| Current lease liabilities | 89,132 | 4,731,742 |
| Non-current lease liabilities | | |
| Total | 89,132 | 4,731,742 |

B. Movement in Lease liabilities :

The following is the movement in lease liabilities during the year ended March 31, 2020

| Particulars | As at March 31, 2020 | As at March 31, 2020 |
|---|----------------------|----------------------|
| Balance as at April 1, 2019 | | |
| Reclassified on account of adoption of IND AS 116 | 204,985 | 10,882,040 |
| Additions | | |
| Finance costs accrued during the period | 4,147 | 220,130 |
| Payment of Lease liabilities | (120,000) | (6,370,428) |
| Balance as at March 31, 2020 | 89,132 | 4,731,742 |

C. The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

| Particulars | As at March 31, 2020 | As at March 31, 2020 |
|----------------------|----------------------|----------------------|
| Less than one year | 90,000 | 4,777,821 |
| One to five years | | |
| More than five years | | |
| Total | 90,000 | 4,777,821 |

D. The impact of changes in accounting policy on account of adoption of Ind AS 116 is as follows:

| Particulars | | |
|--------------------------------|---------|-----------|
| Increase in lease liability by | 89,132 | 4,731,742 |
| Increase in rights of use by | 87,852 | 4,663,780 |
| Increase in finance cost by | 4,147 | 220,130 |
| Increase in depreciation by | 117,134 | 6,218,306 |

E. Amounts recognized in profit or loss:

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2020 |
|-------------------------------|-----------------------------------|-----------------------------------|
| Interest on lease liabilities | 4,147 | 220,130 |
| Depreciation | 117,134 | 6,218,306 |

F. Amounts recognized in statement of cash flows

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2020 |
|--------------------------------|-----------------------------------|-----------------------------------|
| Total cash outflows for leases | 120,000 | 6,370,428 |

G. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the Simplified approach and accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The adoption of the new standard resulted in recognition of Right of Use (ROU) of SGD 87,852 and a lease liability of SGD 89,132. The effect of this adoption is insignificant on the profit for the period and earnings per share.



Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

28 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

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

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



Place: New Delhi
Date: May 21, 2020

Director

M. P. Kung