



## **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 31<sup>st</sup> March 2023, 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, 2023, 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 31<sup>st</sup> March, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023, 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  
UDIN: 23099005BGXIPT9114  
Place: New Delhi  
Date: May 18, 2023



# 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, 2023, the Company has significant accumulated losses amounting to \$ 22.66 million resulting in negative net-worth of \$ 12.73 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 & relevant amendment rules issued thereafter and guidelines issued by the Securities and Exchange Board of India (SEBI). 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, 2023 and as at March 31, 2022, and the Profit and Loss account for both the periods/years have been translated into INR at the exchange rate of USD 1= INR 82.18 for March 31, 2023 and at the exchange rate of USD 1=INR 75.51 for March 31, 2022. 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 82.18 for March 31, 2023 and at the exchange rate of USD 1=INR 75.51 for March 31, 2022.

### 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 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.



# Xchanging Solutions (USA) Inc.

## Notes forming part of the financial statements

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 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 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 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.

### 4.3 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.

### 4.4 Impairment of assets

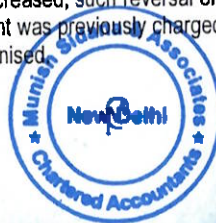
The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

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

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

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

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



# Xchanging Solutions (USA) Inc.

## Notes forming part of the financial statements

### 4.5 Revenue recognition

Revenue is recognised net of Goods and Services Tax (GST) to the extent that it is probable that economic benefit will flow to the 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. Revenue towards satisfaction of a performance obligation is measured Financial assets and financial liabilities at the amount of transaction price allocated to that performance obligation.

- (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 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 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.



# Xchanging Solutions (USA) Inc.

## Notes forming part of the financial statements

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

### 4.6 Foreign currency transactions

- (i) **Functional and presentation currency**  
The functional currency of the Company is the United States Dollars.
- (ii) **Initial recognition:**  
On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (iii) **Subsequent recognition:**  
As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

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

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

### 4.7 Employee benefits

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

### 4.8 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.





# Xchanging Solutions (USA) Inc.

## Notes forming part of the financial statements

### 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.

### **4.9 Provisions and contingent liabilities**

**Provisions:** A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

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

### **4.10 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.

### **4.11 Segment reporting**

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

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

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



# Xchanging Solutions (USA) Inc.

## Notes forming part of the financial statements

### 4.12 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.

### 4.13 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.

### 4.14 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 and recognised at effective interest rate wherever applicable. Dividend income is accounted for when the right to receive it is established.

### 4.18 Operating Cycle

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

### 4.19 Critical accounting judgements and key sources of estimation uncertainty

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):



# Xchanging Solutions (USA) Inc.

## Notes forming part of the financial statements

- 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 except for trade receivables which are initially measured at transaction price.

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.

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

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

### Allowance for Trade receivables

The Holding Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). For the purpose of measuring lifetime ECL allowance for trade receivables, the Holding Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

### Derecognition of financial assets

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



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## Notes forming part of the financial statements

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.

### 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 outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

## 6 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss under respective head in the period in which they become receivable



## Xchanging Solutions (USA) Inc.

### Notes forming part of the financial statements

#### 7 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS12 - Income Taxes -This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.



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**Xchanging Solutions (USA) Inc.**  
**Balance Sheet as at March 31, 2023**

	Notes	As At Mar 31, 2023 USD	As At Mar 31, 2023 INR	As At Mar 31, 2022 USD	As At Mar 31, 2022 INR
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investments	8	27,370	2,249,168	27,370	2,066,815
		<u>27,370</u>	<u>2,249,168</u>	<u>27,370</u>	<u>2,066,815</u>
<b>Current assets</b>					
<b>Financial assets</b>					
Trade receivables	9	264,499	21,735,896	359,010	27,110,593
Cash and cash equivalents	10	24,866,328	2,043,452,691	21,864,924	1,651,127,478
Other financial assets	11	2,158,843	177,408,307	1,404,711	106,076,571
		<u>27,289,670</u>	<u>2,242,596,894</u>	<u>23,628,645</u>	<u>1,784,314,642</u>
<b>Total Assets</b>		<u><b>27,317,040</b></u>	<u><b>2,244,846,062</b></u>	<u><b>23,656,015</b></u>	<u><b>1,786,381,457</b></u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital	12	9,930,000	816,022,575	9,930,000	749,862,907
Other equity	13	(22,652,466)	(1,861,522,994)	(26,099,001)	(1,970,863,249)
<b>Total Equity</b>		<u><b>(12,722,466)</b></u>	<u><b>(1,045,500,419)</b></u>	<u><b>(16,169,001)</b></u>	<u><b>(1,221,000,342)</b></u>
<b>Non-Current liabilities</b>					
<b>Financial liabilities</b>					
Other financial liabilities	14	37,929,097	3,116,918,328	37,929,097	2,864,211,730
		<u>37,929,097</u>	<u>3,116,918,328</u>	<u>37,929,097</u>	<u>2,864,211,730</u>
<b>Current liabilities</b>					
<b>Financial liabilities</b>					
<b>Trade payables</b>					
-Dues of micro enterprises and small enterprises	15	-	-	-	-
-Dues of creditors other than micro enterprises and small enterprises	15	1,366,632	112,306,430	1,268,245	95,771,363
Other current liabilities	16	-	-	75,654	5,712,974
Current tax liabilities (net)	17	743,777	61,121,723	552,020	41,685,732
		<u>2,110,409</u>	<u>173,428,153</u>	<u>1,895,919</u>	<u>143,170,069</u>
<b>Total equity and liabilities</b>		<u><b>27,317,040</b></u>	<u><b>2,244,846,062</b></u>	<u><b>23,656,015</b></u>	<u><b>1,786,381,457</b></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: Delhi  
Date: May 18, 2023



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

Christopher Vocl  
Director

Place: Virginia, USA  
Date: May 18, 2023

**Xchanging Solutions (USA) Inc.**  
**Statement of Profit and Loss for the year ended March 31, 2023**

	Notes	For the year ended		For the year ended	
		Mar 31, 2023 USD	Mar 31, 2023 INR	Mar 31, 2022 USD	Mar 31, 2022 INR
Revenue from operations	18	16,687,885	1,371,368,709	14,078,856	1,063,163,337
Other income	19	80,074	6,580,266	35,183	2,656,807
<b>Total Income</b>		<b>16,767,959</b>	<b>1,377,948,975</b>	<b>14,114,039</b>	<b>1,065,820,144</b>
<b>Expenses</b>					
Employee benefits expense	20	4,320,325	355,033,538	4,181,744	315,783,951
Other expenses	21	7,757,399	637,483,620	6,525,479	492,770,769
<b>Total Expenses</b>		<b>12,077,724</b>	<b>992,517,158</b>	<b>10,707,223</b>	<b>808,554,720</b>
<b>Profit before taxation</b>		<b>4,690,235</b>	<b>385,431,817</b>	<b>3,406,816</b>	<b>257,265,424</b>
<b>Tax expense/ (benefit)</b>					
Tax expense	22	1,243,700	102,204,157	684,789	51,711,769
<b>Total tax expense</b>		<b>1,243,700</b>	<b>102,204,157</b>	<b>684,789</b>	<b>51,711,769</b>
<b>Profit for the period</b>		<b>3,446,535</b>	<b>283,227,660</b>	<b>2,722,027</b>	<b>205,553,655</b>
Earnings per share (Equity shares, par value \$9,930 each (2022 -\$9,930))					
Basic and diluted		347	28,522	274	20,700
Weighted average number of equity shares used in computing earning per share					
Basic and diluted		9,930	9,930	9,930	9,930

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: Delhi  
Date: May 18, 2023

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

Christopher Voci  
Director

Place: Virginia, USA  
Date: May 18, 2023

**Xchanging Solutions (USA) Inc.**  
**Cash Flow Statement for the year ended March 31, 2023**

	For the year ended		For the year ended	
	Mar 31, 2023 USD	Mar 31, 2023 INR	Mar 31, 2022 USD	Mar 31, 2022 INR
<b>Cash flow from operating activities</b>				
Profit before taxation	4,690,235	385,431,817	3,406,816	257,265,424
Adjustments for:				
Write back of Liabilities	7,262	596,740	4,832	364,890
<b>Operating profit before working capital changes</b>	<b>4,697,497</b>	<b>386,028,557</b>	<b>3,411,648</b>	<b>257,630,314</b>
Movements in working capital :				
Decrease / (Increase) in sundry debtors	94,510	7,766,636	(240,689)	(18,175,634)
Decrease / (Increase) in loans and advances and other financial assets	(754,132)	(61,972,704)	(563,376)	(42,543,285)
Taxes paid (net of refunds)	(1,051,943)	(86,446,057)	-	-
Increase / (Decrease) in current liabilities and provisions	15,472	1,271,427	398,334	30,080,163
<b>Net cash from/ (used in) Operating activities</b>	<b>3,001,404</b>	<b>246,647,859</b>	<b>3,005,917</b>	<b>226,991,558</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>3,001,404</b>	<b>246,647,859</b>	<b>3,005,917</b>	<b>226,991,558</b>
Cash and cash equivalents at the beginning of the year	21,864,924	1,796,804,832	18,859,007	1,424,135,920
<b>Cash and cash equivalents at the end of the year</b>	<b>24,866,328</b>	<b>2,043,452,691</b>	<b>21,864,924</b>	<b>1,651,127,478</b>
<b>Components of cash and cash equivalents:</b>				
Balances with banks	24,866,328	2,043,452,691	21,864,924	1,651,127,478
- in Current Account	<b>24,866,328</b>	<b>2,043,452,691</b>	<b>21,864,924</b>	<b>1,651,127,478</b>

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: Delhi  
Date: May 18, 2023

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

Christopher Voci  
Director

*Christopher Voci*

Place: Virginia, USA  
Date: May 18, 2023



**Xchanging Solutions (USA) Inc.**  
**Statement of Changes in Equity for the Year ended March 31, 2023**

a EQUITY SHARE CAPITAL	USD	INR
Balance at March 31, 2021	9,930,000	725,600,568
Changes in equity share capital during the year	-	-
Exchange rate movement	-	24,262,339
<b>Balance at March 31, 2022</b>	<b>9,930,000</b>	<b>749,862,907</b>
Changes in equity share capital during the year	-	-
Exchange rate movement	-	66,159,668
<b>Balance at March 31, 2023</b>	<b>9,930,000</b>	<b>816,022,575</b>

**b OTHER EQUITY**

	Retained earnings (USD)	Retained earnings (INR)	Total other equity (USD)	Total other equity (INR)
Balance as of April 1, 2021	(28,821,028)	(2,105,997,411)	(28,821,028)	(2,105,997,411)
Profit for the year	2,722,027	205,553,655	2,722,027	205,553,655
Exchange rate movement	-	(70,419,494)	-	(70,419,494)
<b>Balance as of March 31, 2022</b>	<b>(26,099,001)</b>	<b>(1,970,863,250)</b>	<b>(26,099,001)</b>	<b>(1,970,863,250)</b>

	Retained earnings (USD)	Retained earnings (INR)	Total other equity (USD)	Total other equity (INR)
Balance as of April 1, 2022	(26,099,001)	(1,970,863,250)	(26,099,001)	(1,970,863,250)
Profit for the year	3,446,535	283,227,660	3,446,535	283,227,660
Exchange rate movement	-	(173,887,404)	-	(173,887,404)
<b>Balance as of March 31, 2023</b>	<b>(22,652,466)</b>	<b>(1,861,522,994)</b>	<b>(22,652,466)</b>	<b>(1,861,522,994)</b>

As per our report of even date

For Munish Sidana & Associates  
Chartered Accountants

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

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



Christopher Voci  
Director

*Christopher Voci*

Place: Delhi  
Date: May 18, 2023

Place: Virginia, USA  
Date: May 18, 2023

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

	As At Mar 31, 2023 USD	As At Mar 31, 2023 INR	As At Mar 31, 2022 USD	As At Mar 31, 2022 INR
<b>8 Non-current investments</b>				
(Unquoted at cost, fully paid-up)				
Subsidiary company				
10,000 Equity shares of Rs.10 each in Nexplotic India Private Limited, India	27,370	2,249,168	27,370	2,068,815
	<u>27,370</u>	<u>2,249,168</u>	<u>27,370</u>	<u>2,068,815</u>

<b>9 Trade receivables</b>				
Outstanding for a period exceeding 6 months from the date they are due for payment				
Unsecured, considered good	284,499	21,735,896	359,010	27,110,593
	<u>284,499</u>	<u>21,735,896</u>	<u>359,010</u>	<u>27,110,593</u>

Trade receivables ageing schedule for the year ended as on March 31, 2023 (in USD)

Particulars	Not due	Outstanding for the following period from due date of payments					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered Good	231,166	33,334	-	-	-	-	264,499
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>231,166</b>	<b>33,334</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>264,499</b>
Less: Allowance for credit impairment	-	-	-	-	-	-	-
<b>Total Trade Receivable</b>							<b>264,499</b>

Trade receivables ageing schedule for the year ended as on March 31, 2023 (in INR)

Particulars	Not due	Outstanding for the following period from due date of payments					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered Good	18,996,612	2,739,284	-	-	-	-	21,735,896
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>18,996,612</b>	<b>2,739,284</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,735,896</b>
Less: Allowance for credit impairment	-	-	-	-	-	-	-
<b>Total Trade Receivable</b>							<b>21,735,896</b>

Trade receivables ageing schedule for the year ended as on March 31, 2022 (in USD)

Particulars	Not due	Outstanding for the following period from due date of payments					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered Good	351,002	8,008	-	-	-	-	359,010
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>351,002</b>	<b>8,008</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>359,010</b>
Less: Allowance for credit impairment	-	-	-	-	-	-	-
<b>Total Trade Receivable</b>	<b>351,002</b>	<b>8,008</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>359,010</b>

Trade receivables ageing schedule for the year ended as on March 31, 2022 (in INR)

Particulars	Not due	Outstanding for the following period from due date of payments					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered Good	26,505,870	604,723	-	-	-	-	27,110,593
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>26,505,870</b>	<b>604,723</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,110,593</b>
Less: Allowance for credit impairment	-	-	-	-	-	-	-
<b>Total Trade Receivable</b>	<b>26,505,870</b>	<b>604,723</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,110,593</b>

<b>10 Cash and cash equivalents</b>				
Balances with Banks				
- Current accounts	24,866,328	2,043,452,691	21,864,924	1,651,127,478
	<u>24,866,328</u>	<u>2,043,452,691</u>	<u>21,864,924</u>	<u>1,651,127,478</u>

<b>11 Other financial assets</b>				
Current				
(Unsecured considered good unless otherwise stated)				
Other Loans and Advances	467	38,337	2,142	161,749
Unbilled revenue	2,158,843	177,408,307	1,402,569	105,914,822
	<u>2,159,310</u>	<u>177,446,644</u>	<u>1,404,711</u>	<u>106,076,571</u>



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

	As At Mar 31, 2023 USD	As At Mar 31, 2023 INR	As At Mar 31, 2022 USD	As At Mar 31, 2022 INR
<b>12 Share Capital</b>				
<b>Authorised capital:</b>				
1,014 (2022: 1,014) Equity Shares of \$ 9,930 each	10,069,020	827,446,891	10,069,020	760,360,988
<b>Issued, subscribed and paid up capital:</b>				
1,000 (2022: 1,000 at \$ 9,930) Equity Shares of \$ 9,930 each fully paid up	9,930,000	816,022,575	9,930,000	749,862,908
	<u>9,930,000</u>	<u>816,022,575</u>	<u>9,930,000</u>	<u>749,862,908</u>
<b>(i) Reconciliation of number of shares</b>				
Equity Shares	As at Mar 31, 2023		As at Mar 31, 2022	
	Number of Shares	Amount (in USD)	Number of Shares	Amount (in USD)
Shares outstanding at the beginning of the period	1,000	9,930,000	1,000	9,930,000
Shares outstanding at the end of the period	1,000	9,930,000	1,000	9,930,000
<b>(ii) Shares held by holding company and subsidiary of holding company</b>				
	As at Mar 31, 2023		As at Mar 31, 2022	
Name of Shareholder	Number of Shares	Amount (in USD)	Number of Shares	Amount (in USD)
Xchanging Solutions Ltd, India, Holding Company	1,000	9,930,000	1,000	9,930,000
<b>(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:</b>				
	As at Mar 31, 2023		As at Mar 31, 2022	
Name of Shareholder	Number of Shares held	Percentage	Number of Shares held	Percentage
Xchanging Solutions Ltd, India, Holding Company	1,000	100.00%	1,000	100.00%
<b>(iv) Details of Shares held by promoters at the end of the year</b>				
Promoter name	Number of Shares held		As at Mar 31, 2023 % of total shares	% change during the year
Xchanging Solutions Ltd, India, Holding Company	1,000		100	-
Total	1,000		100	-
Promoter name	Number of Shares held		As at March 31, 2022 % of total shares	% change during the year
Xchanging Solutions Ltd, India, Holding Company	1,000		100	-
Total	1,000		100	-
<b>13 Other equity</b>				
<b>Capital Reserve</b>				
Balance at the beginning of the year	1,974,623	162,269,582	1,974,623	149,113,449
Add/(Less) movement during the year	-	-	-	-
Balance at the end of the year	<u>1,974,623</u>	<u>162,269,582</u>	<u>1,974,623</u>	<u>149,113,449</u>
<b>Securities Premium</b>				
Balance at the beginning of the year	17,567,336	1,443,639,754	17,567,336	1,326,595,534
Add/(Less) movement during the year	-	-	-	-
Balance at the end of the year	<u>17,567,336</u>	<u>1,443,639,754</u>	<u>17,567,336</u>	<u>1,326,595,534</u>
<b>Surplus/(Deficit) in Statement of Profit and Loss</b>				
Balance as at the beginning of the year	(45,640,960)	(3,750,659,990)	(48,362,987)	(3,652,125,887)
Profit for the year	3,446,535	283,227,660	2,722,027	205,553,655
Balance as at end of the year	<u>(42,194,425)</u>	<u>(3,467,432,330)</u>	<u>(45,640,960)</u>	<u>(3,446,572,232)</u>
	<u>(26,622,468)</u>	<u>(1,861,522,994)</u>	<u>(26,099,001)</u>	<u>(1,970,863,249)</u>



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

14	Other financial liabilities Loans from Subsidiaries Holding company	As At	As At	As At	As At
		Mar 31, 2023	Mar 31, 2022	Mar 31, 2022	Mar 31, 2022
		USD	INR	USD	INR
		37,929,097	3,116,918,328	37,929,096	2,864,211,730
		<u>37,929,097</u>	<u>3,116,918,328</u>	<u>37,929,096</u>	<u>2,864,211,730</u>

Loans from Promoters, Directors, KMP and Related Parties (in USD)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advances in the nature of loans	
	As At	As At	As At	As At
	Mar 31, 2023	Mar 31, 2022	Mar 31, 2023	Mar 31, 2022
Promoter	-	-	-	-
Director	-	-	-	-
KMPs	-	-	-	-
<u>Individual Related Parties:</u>				
- Xchanging Solutions Ltd. India, (Holding Company)	37,929,097	37,929,096	100%	100%
<b>Total</b>	<b>37,929,097</b>	<b>37,929,096</b>	<b>100%</b>	<b>100%</b>

Loans from Promoters, Directors, KMP and Related Parties (in INR)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advances in the nature of loans	
	As At	As At	As At	As At
	Mar 31, 2023	Mar 31, 2022	Mar 31, 2023	Mar 31, 2022
Promoter	-	-	-	-
Director	-	-	-	-
KMPs	-	-	-	-
<u>Individual Related Parties:</u>				
- Xchanging Solutions Ltd. India, (Holding Company)	3,116,918,328	2,864,211,730	100%	100%
<b>Total</b>	<b>3,116,918,328</b>	<b>2,864,211,730</b>	<b>100%</b>	<b>100%</b>



**Trade payables**

Total outstanding dues of micro enterprises and small enterprises (Refer Note (i))

Total outstanding dues of creditors other than micro enterprises and small enterprises

Due to:

Holding company	155,816	12,788,174	238,525	18,012,199
Other related parties	1,136,867	93,427,333	940,152	70,895,447
Others	74,119	6,950,323	69,568	6,763,718
	<u>1,366,632</u>	<u>112,306,430</u>	<u>1,268,245</u>	<u>95,771,364</u>

Notes:

- (i) On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details.

(a) Principal amount remaining unpaid	-	-	-	-
(b) Interest due thereon remaining unpaid	-	-	-	-
(c) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the period	-	-	-	-
(d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-	-	-
(e) Interest accrued and remaining unpaid	-	-	-	-
(f) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-	-	-

Trade payables ageing schedule for the year ended as on March 31, 2023 (in USD)

Particulars	Not due	Outstanding for the following period from due date of payments					Total
		Accruals	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	1,054,883	289,436	22,311	-	-	-	1,366,632
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
<b>Total</b>	<b>1,054,883</b>	<b>289,436</b>	<b>22,311</b>	-	-	-	<b>1,366,632</b>

Trade payables ageing schedule for the year ended as on March 31, 2023 (in INR)

Particulars	Not due	Outstanding for the following period from due date of payments					Total
		Accruals	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	66,687,684	23,785,321	1,833,425	-	-	-	112,306,430
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
<b>Total</b>	<b>66,687,684</b>	<b>23,785,321</b>	<b>1,833,425</b>	-	-	-	<b>112,306,430</b>

Trade payables ageing schedule for the year ended as on March 31, 2022 (in USD)

Particulars	Not due	Outstanding for the following period from due date of payments					Total
		Accruals	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	942,784	325,480	1	-	-	-	1,268,245
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
<b>Total</b>	<b>942,784</b>	<b>325,480</b>	<b>1</b>	-	-	-	<b>1,268,245</b>

Trade payables ageing schedule for the year ended as on March 31, 2022 (in INR)

Particulars	Not due	Outstanding for the following period from due date of payments					Total
		Accruals	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	71,192,729	24,576,557	78	-	-	-	95,771,364
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
<b>Total</b>	<b>71,192,729</b>	<b>24,576,557</b>	<b>78</b>	-	-	-	<b>95,771,364</b>

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**Other Current Liabilities**

Deferred Revenue

-	-	75,654	5,712,974
-	-	<u>75,654</u>	<u>5,712,974</u>

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**Current tax liabilities (net)**

Provision for tax

Less: Income tax asset

**Current tax liabilities (net)**

1,372,777	112,811,370	552,020	41,985,732
629,000	51,689,647	-	-
<u>743,777</u>	<u>61,121,723</u>	<u>552,020</u>	<u>41,985,732</u>



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

	For the year ended		For the year ended	
	Mar 31, 2023 USD	Mar 31, 2023 INR	Mar 31, 2022 USD	Mar 31, 2022 INR
<b>18 Revenue from operations</b>				
Revenue from software development and related services	16,687,885	1,371,368,709	14,078,856	1,063,163,337
	<u>16,687,885</u>	<u>1,371,368,709</u>	<u>14,078,856</u>	<u>1,063,163,337</u>
<b>19 Other income</b>				
Miscellaneous Income	7,262	596,740	4,832	364,890
Liabilities no longer required written back	37,751	3,102,283	-	-
Foreign exchange gain (net)	35,061	2,881,243	30,351	2,291,917
	<u>80,074</u>	<u>6,580,266</u>	<u>35,183</u>	<u>2,656,807</u>
<b>20 Employee benefits expense</b>				
Salaries, allowances and bonus	3,768,157	309,657,762	3,632,802	274,330,690
Staff welfare	552,168	45,375,776	548,942	41,453,261
	<u>4,320,325</u>	<u>355,033,538</u>	<u>4,181,744</u>	<u>315,783,951</u>
<b>21 Other expenses</b>				
Project work expenses	7,660,176	629,494,094	6,488,552	489,982,315
Rent*	7,296	599,567	6,911	521,883
Communication	101	8,301	-	-
Travel	76,335	6,273,033	10,243	773,476
Legal & professional	5,707	468,994	-	-
Directors' sitting fees	3,600	295,839	3,600	271,854
Bank charges	3,231	265,475	13,549	1,023,116
Miscellaneous expenses	953	78,317	2,624	198,125
	<u>7,757,399</u>	<u>637,483,620</u>	<u>6,525,479</u>	<u>492,770,769</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**

22. Income tax recognised in Statement of profit and loss	In USD	In INR	In USD	In INR
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2023	For the Year ended March 31, 2022	For the Year ended March 31, 2022
<b>Current tax</b>				
In respect of the current year	1,243,700	102,204,157	684,789	51,711,769
<b>Total income tax expense recognised in the current year relating to continuing operations</b>	<b>1,243,700</b>	<b>102,204,157</b>	<b>684,789</b>	<b>51,711,769</b>
The Income tax expense for the year can be reconciled to the accounting profit as follows:				
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2023	For the Year ended March 31, 2022	For the Year ended March 31, 2020
Profit before tax from continuing operations	4,690,235	385,431,817	3,406,816	257,265,424
Income tax expense calculated at 27.94% (2022 - 25.50%) net off allowances)	1,243,700	102,204,157	684,789	51,711,769
<b>Income tax expense recognised in profit or loss</b>	<b>1,243,700</b>	<b>102,204,157</b>	<b>684,789</b>	<b>51,711,769</b>



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

As at  
 Mar 31, 2023      Mar 31, 2023  
 USD                      INR

As at  
 Mar 31, 2022      Mar 31, 2022  
 USD                      INR

**23 Contingent Liabilities and commitment**

Contingent liabilities  
 Capital commitment

As at Mar 31, 2023 USD	As at Mar 31, 2023 INR
Nil	Nil
Nil	Nil

As at Mar 31, 2022 USD	As at Mar 31, 2022 INR
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 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 Ind AS 108 - "Operating Segments" 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

25 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
				As at March 31, 2023	As at March 31, 2023	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022	As at March 31, 2022	As at March 31, 2022	As at March 31, 2022	As at March 31, 2022	As at March 31, 2022	As at March 31, 2022
(i)	Xchanging Solutions Limited, India	Holding company	Expenses reimbursed / incurred to / (for related party)	(1,661,654)	(154,623,602)	(2,726,572)	(205,866,820)								
			Payments made / (received)	1,964,562	161,442,324	2,730,616	206,202,206								
			Trade Receivables / (Payable) at the end of the year	(156,817)	(12,788,175)	(238,525)	(18,012,199)								
			Unsecured loan at the end of the year	(37,926,067)	(3,116,918,331)	(37,926,067)	(2,864,211,744)								
(ii)	Xchanging Technology Services India Private Limited, India	Related Party	Expenses reimbursed / incurred to / (for related party)	(1,629,706)	(133,925,298)	(2,200,052)	(166,136,981)								
			Payments made / (received)	1,691,602	136,214,501	2,210,193	168,902,520								
			Trade Receivables / (Payable) at the end of the year	(103,923)	(9,540,123)	(198,117)	(11,785,168)								
(iii)	Computer Sciences Corporation, USA (CSC, USA)	Related Party	Expenses reimbursed / incurred to / (for related party)	(4,281,952)	(351,060,367)	(4,313,820)	(325,757,668)								
			Payments made / (received)	4,369,258	359,232,515	4,653,069	344,579,663								
			Trade Receivables / (Payable) at the end of the year	(432,155)	(35,513,421)	(509,458)	(38,471,654)								
(iv)	DXC Technology Services LLC, USA	Related Party	Expenses reimbursed / incurred to / (for related party)	(1,930,261)	(156,624,013)	(626,050)	(47,502,676)								
			Payments made / (received)	269,081	22,178,127	271,255	20,483,800								
			InterCompany Revenue	1,454,811	119,552,766	285,656									
			Trade Receivables / (Payable) at the end of the year	(315,017)	(25,887,245)	(109,448)	(8,264,954)								
(v)	Luxopt USA Inc	Related Party	Expenses reimbursed / incurred to / (for related party)	(2,061)	(5,967,500)	-	-								
			Payments made / (received)	58,624	4,817,569	-	-								
			Trade Receivables / (Payable) at the end of the year	(14,237)	(1,168,981)	-	-								
(vi)	CSC Covansys Corporation, USA	Related Party	Expenses reimbursed / incurred to / (for related party)	(1,587,771)	(130,479,018)	(164,008)	(12,365,033)								
			Payments made / (received)	1,369,520	112,543,722	163,200	12,324,033								
			Trade Receivables / (Payable) at the end of the year	(233,428)	(19,182,565)	(15,174)	(1,146,146)								



**Xchanging Solutions (USA) Inc.**  
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)	
				USD	INR	USD	INR	USD	INR	USD	INR	USD	INR	USD	INR
				As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022	As at March 31, 2022	As at March 31, 2022	As at March 31, 2022	As at March 31, 2022	As at March 31, 2022	As at March 31, 2022	As at March 31, 2022	As at March 31, 2022
(vii)	FSG - Mynd Corp, USA	Related Party	Expenses reimbursed / incurred to / for related party Payments made / (received) <b>Trade Receivables / (Payable) at the end of the year</b>	(3,635) 4,139	(296,712) 340,129	(34,449) 36,730	(2,601,393) 2,773,624	-	(504)	-	(2,601,393) 2,773,624	-	(38,060)	-	(38,060)
(viii)	CSC CORP - Americas Outsourcing USA	Related Party	Expenses reimbursed / incurred to / for related party Payments made / (received) <b>Trade Receivables / (Payable) at the end of the year</b>	(166,069) 152,364	(13,714,515) 12,520,916	(46,556) 91,398	(3,515,814) 6,901,154	(14,529)	(1,193,598)	-	-	-	-	-	-
(ix)	DXC Technology India Private Limited, India	Related Party	Expenses reimbursed / incurred to / for related party Payments made / (received) <b>Trade Receivables / (Payable) at the end of the year</b>	85,002 13,648	6,965,267 1,121,357	(58,709) 145	(7,460,536) 10,981	-	(82,654)	-	-	(7,460,536) 10,981	-	(7,449,556)	-
(x)	EniServ Malaysia Sdn Bhd, Malaysia	Related Party	Expenses reimbursed / incurred to / for related party Payments made / (received) <b>Trade Receivables / (Payable) at the end of the year</b>	(11,552) 19,456	(950,164) 1,598,846	(7,524) 31	(566,397) 2,306	-	(7,894)	-	-	(566,397) 2,306	-	(596,091)	-
(xi)	EniServ Philippines, Inc.	Related Party	Expenses reimbursed / incurred to / for related party Payments made / (received) <b>Trade Receivables / (Payable) at the end of the year</b>	(98) 98	(8,049) 8,049	-	-	-	-	-	-	-	-	-	-
(xii)	Enterprise Services (AP) Limited, Philippines	Related Party	Expenses reimbursed / incurred to / for related party Payments made / (received) <b>Trade Receivables / (Payable) at the end of the year</b>	(7,067) 7,067	(500,776) 590,778	-	-	-	-	-	-	-	-	-	-



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

**26 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.

**27 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**

**28 Financial instruments**

**28.01 Capital Management**

The Company manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consist of net debt and total equity.  
 The Company is not subject to any externally imposed capital requirements.

**28.02 Categories of financial Instruments**

Particulars	USD	INR	USD	INR
	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022
<b>Financial assets</b>				
<u>Measured at amortised cost</u>				
(a) Cash and bank balances	24,866,328	2,043,452,691	21,864,924	1,651,127,478
(b) Other financial assets at amortised cost	2,423,342	199,144,203	1,763,720	133,187,165
<u>Measured at Cost</u>				
Investments	27,370	2,249,168	27,370	2,066,815
<b>Financial liabilities</b>				
<u>Measured at amortised cost</u>				
Other financial liability at amortised cost	39,295,729	3,229,224,758	39,197,341	2,959,983,093

**28.03 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 financial 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**

**28.04 Financials risk management objectives**

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

**Liquidity risk**

				(Amount in USD)
As at March 31, 2023	Less than 1 yrs	1 to 5 yrs	>5 Yrs	Total
Trade Payables	1,366,632	-	-	1,366,632
Other Financials liabilities	-	37,929,097	-	37,929,097

				(Amount in INR)
As at March 31, 2023	Less than 1 yrs	1 to 5 yrs	>5 Yrs	Total
Trade Payables	112,306,430	-	-	112,306,430
Other Financials liabilities	-	3,116,918,328	-	3,116,918,328

				(Amount in USD)
As at March 31, 2022	Less than 1 yrs	1 to 5 yrs	>5 Yrs	Total
Trade Payables	1,268,245	-	-	1,268,245
Other Financials liabilities	-	37,929,097	-	37,929,097

				(Amount in INR)
As at March 31, 2022	Less than 1 yrs	1 to 5 yrs	>5 Yrs	Total
Trade Payables	95,771,363	-	-	95,771,363
Other Financials liabilities	-	2,864,211,730	-	2,864,211,730

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

**29** As per section 248 of the Companies Act, 2013, there are no balances outstanding with struck off companies.



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

**30 Previous year comparatives**

The Financial statements have been prepared in accordance with the amended Schedule III and accordingly previous year's numbers have been regrouped/reclassified (as necessary) and incremental disclosures have been made to compare with current year disclosures.

**As per our report of even date**  
**For Munish Sidana & Associates**  
**Chartered Accountants**

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



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



**Place: Delhi**  
**Date: May 18, 2023**

**Christopher Voci**  
**Director**



**Place: Virginia, USA**  
**Date: May 18, 2023**