Xchanging Solutions Limited

ANNUAL REPORT 2018-19

Shareholder Information

XCHANGING SOLUTIONS LIMITED

Registered office: SJR I-Park, Plot No. 13, 14, 15,
EPIP Industrial Area, Phase I Whitefield,
Bangalore – 560066
Tel +9180 43640000

Registered office will be changed to “Kalyani Tech Park - Survey No 1, 6 & 24, Kundanhalli Village, K R Puram Hobli, Bangalore – 560066” w.e.f. August 1, 2019

For Corporate reports and Company News, visit our website at: http://www.xchanging.com/investor-relations/xsl-content

STATUTORY AUDITORS

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

COMPLIANCE CONTACT:

Compliance Officer
Tel +91 804364000
E-mail: compliance@xchanging.com

Listed on the following stock exchanges (Ticker Symbol: XCHANGING)
BSE (Bombay Stock Exchange)s
NSE (National Stock Exchange of India Limited)

The Company got delisted from Madras Stock Exchange and Ahmedabad Stock Exchanges.

Safe Harbor Statement

Certain statements in this document are forward looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services, including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns in fixed price, fixed time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, etc. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.

TABLE OF CONTENTS

BOARD OF DIRECTORS

Henry D'Souza	-	Independent Director
Nonavinakeri Srinivasaiyengar Rama ("Rama NS")	-	Independent Director
Venkatesh Venkatasubba Ramanandashastry Shastry ("Venkatesh Shastry")	-	Independent Director
Gidugu Kalpana Tatavarti ("Kalpana Tatavarti")	-	Non-Executive Director
Chandrasekhara Rao Boddoju	-	Managing Director and Chief Executive Officer
Shrenik Kumar Champalal	-	Whole Time Director and Chief Financial Officer

COMPANY SECRETARY

Mayank Jain

STATUTORY AUDITORS

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

REGISTERED OFFICE

SJR I-Park Plot No. 13, 14, 15
EPIP Industrial Area
Phase I, Whitefield
Bangalore 560 066,
Karnataka
Phone +91 80 43640000
Email : compliance@xchanging.com
Website : www.xchanging.com
CIN : L72200KA2002PLC030072

REGISTRAR AND TRANSFER AGENT

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

LIST OF ALL ANNEXURES

A. BOARDS' REPORT

B. CORPORATE GOVERNANCE REPORT

Dear Shareholders,

The Board of Directors ("Board") is pleased to present the Eighteenth Annual Report and the Audited Financial Statement of the Xchanging Solutions Limited ("Company") for the financial year ended March 31, 2019.

A. FINANCIAL RESULTS

The highlights of standalone and consolidated financial results of the Company for the financial year ended March 31, 2019 and March 31, 2018 are as under:

(INR in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	For the Financial year ended Mar 31, 2019	For the Financial year ended Mar 31, 2018	For the Financial year ended Mar 31, 2019	For the Financial year ended Mar 31, 2018
Total Income	6,405	6,641	19,865	20,167
Total Expenditure	3,936	5,239	14,137	15,985
Profit before Interest, Depreciation and Tax	2,469	1,402	5,728	4,182
Depreciation & Amortization	37	102	47	117
Finance Costs	1	4	1	4
Profit/(Loss) before Tax	2,431	1,296	5,680	4,061
Income Tax (including deferred tax)	784	735	1,009	897
Net Profit/(Loss) after Tax	1,647	561	4,671	3,164
Other Comprehensive Income/(Expenditure)	25	29	293	203
Total Comprehensive Income/(Expenditure)	1,672	590	4,964	3,367
Earnings/(Loss) per shareRs.	1.48	0.50	4.19	2.84

B. REVIEW OF OPERATIONS

During the financial year ended March 31, 2019, the consolidated income of the Company was Rs. 19,865 Lakhs as against Rs. 20,167 Lakhs during the previous year ended March 31, 2018. At a standalone level, the total income of the Company for the financial year ended March 31, 2019 amounted to Rs. 6,405 Lakhs compared to Rs. 6,641 Lakhs during the previous year ended March 31, 2018.

C. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis for the financial year ended March 31, 2019 as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 **("Listing Regulations")** is presented in a separate section and forms an integral part of this Report.

D. DIVIDEND

The Board does not recommend a dividend per equity share.

E. TRANSFER TO RESERVES

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

F. SUBSIDIARY

Your company has 3 (three) direct subsidiaries and 2 (two) step down subsidiaries for the financial year ended March 31, 2019.

Board of the Company has approved reduction of share capital of the Xchanging Solutions (Europe) Limited ("XSEL"), 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 XSEL. Pursuant to Company's approval, XSEL reduced its share capital to 1 share of £1 each on May 15, 2019.

On May 20, 2019, XSEL declared and paid dividend to the Company out the distributable reserves created as a part of above capital reduction. Thereafter, the Board of the XSEL has recommended to the Company for approving its (XSEL) liquidation. Further, Board of the Company has approved liquidation of XSEL on May 23, 2019.

During the financial year ended March 31, 2019 under review, there have been no material changes in the business of the subsidiaries. In terms of Section 129(3) of the Companies Act, 2013 ('Act'), the Company has prepared a statement containing the salient features of the Financial Statement of subsidiaries in the prescribed Form AOC-1 which is attached to the Financial Statements of the Company.

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

G. RELATED PARTY TRANSACTIONS

All Related Party Transactions were placed before the Audit Committee for approval as per the Related Party Transactions Policy of the Company as approved by the Board. The policy is also uploaded on the website of the company and can be accessed through the link http://www.xchanging.com/investor-relations/xsl-content. All related party transactions that were entered into during the financial year were on an 'arm's length basis' and were in the ordinary course of business. The disclosure of transactions with the related parties are provided in the notes to the Standalone Financial Statements, forming part of the Annual Report.

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

H. AUDITORS

(i) Statutory Auditors and Auditors' Report

The Shareholders of the Company in the 16th AGM of the Company had appointed M/s Deloitte Haskins & Sells

LLP, Chartered Accountants, (Firm Registration No. 117366W/W-100018), ("Deloitte") as the Statutory Auditors of the Company to hold office from the conclusion of the 16th AGM till the conclusion of the 20th AGM of the Company subject to ratification of their appointment at every AGM by the shareholders, if required pursuant to the provisions of the Companies Act, 2013. Central Government vide Companies (Amendment) Act, 2017 has amended the provisions of Section 139 of the Act and ratification of appointment of Statutory Auditors in every AGM is no longer required. Therefore, matter relating to ratification of appointment of Deloitte is not required to be placed before the members at the ensuing 18th Annual General Meeting.

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

The Statutory Auditors had carried out audit of financial statements of the Company for the financial year ended March 31, 2019 pursuant to the provisions of the Act. The reports of Statutory Auditors forms part of the Annual Report. The reports are self-explanatory and does not contain any qualifications, reservations or adverse remarks.

(ii) Secretarial Auditor

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

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except one instance relating to Regulation 33 of the Listing Regulations wherein financial results for the quarter and six months ended September 30, 2018 were required to be filed with in 45 days from the end of the quarter (i.e. by November 14, 2018). However, the Company had submitted aforesaid financial results with the Stock Exchanges with a delay of one day on November 15, 2018.

With respect to the aforesaid non-compliance under Regulation 33 of the Listing Regulations, the Company had received notice from NSE (bearing reference no. NSE/LIST-SOP/REG-33/FINES/67978, dated November 30, 2018) and the BSE (bearing reference no. LIST/COMP/532616/Reg.33-quarter/sep-18/2018-19 dated November 30, 2018), through which the NSE and the BSE had levied a fine of Rs. 5,000/- for a delay of one day, which was paid by the Company to the NSE and BSE, both, on December 6, 2018.

Response from Board and Management is as follows:-

The Company had intimated the Stock exchanges on October 22, 2018 that meeting of Audit Committee & Board was scheduled on November 13, 2018 for approving financial results for the quarter and six months ended September 30, 2018. However, due to sudden demise of Mr. Ashok Kumar Ramanathan, Independent Director and Chairman of the Board, on November 1, 2018, the Audit Committee did not have the proper quorum to hold and conduct such meeting, which was scheduled on November 13, 2018. The Company had taken immediate steps to appoint an Independent Director and convened the Audit Committee and Board meeting for approving aforesaid result and the same was filed with the stock Exchanges on November 15, 2018. Further, the Company had already intimated the Stock Exchanges about the demise of Independent Director and re-scheduling of aforesaid Audit Committee & Board meeting on November 15, 2018. The BSE & NSE have levied a penalty of Rs. 5000/- each which the Company has paid.

I. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

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

J. PUBLIC DEPOSITS

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

K. EMPLOYEES

(i) Key Managerial Personnel (KMP)

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

a) Mr. Chandrasekhara Boddoju Rao – Managing Director and Chief Executive Officer (from August 9, 2018)

b) Shrenik Kumar Champalal – Whole Time Director (from March 31, 2018)

   Chief Executive Officer (Interim) (from March 31, 2018 to August 8, 2018).

   Chief Financial Officer (from February 13, 2019)

c) Suresh Akella – Chief Financial Officer (from May 29, 2017 to November 15, 2018)

d) Mayank Jain – Company Secretary (from February 26, 2016)

(ii) Employees' Stock Option Plan (ESOP)

During the period under review no ESOP scheme exists in the Company.

(iii) Particulars of Employees and Related Disclosures

The statement of Disclosure of Remuneration under

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

L. BOARD AND COMMITTEES

(i) Directors

The following Directors/Key Managerial Personnel have been appointed or ceased to be Director

S. No.	Name	Designation	Appointment Date	Cessation Date
1.	Chandrasekhara Rao Boddoju	Managing Director and Chief Executive Officer	August 9, 2018	-
2.	Ashok Kumar Ramanathan	Independent Director	-	November 1, 2018
3.	Venkatesh Shastry	Independent Director	November 15, 2018	-
4.	Rama NS	Independent Director	April 1, 2019	-
5.	Shrenik Kumar Champalal	Chief Executive Officer (Interim)	-	August 8, 2018
		Chief Financial Officer	February 13, 2019	-
6.	Suresh Akella	Chief Financial Officer	-	November 15, 2018

Based on the recommendation of the Nomination and Remuneration Committee, appointments of Mr. Venkatesh Shastry and Mrs. Rama NS as Independent Directors are recommended for your approval in the ensuing Annual General Meeting.

Mr. Henry D'Souza has been appointed as an Independent Director of the Company for 5 (five) years w.e.f. May 25, 2015. Accordingly, first term of his office will be expiring on May 24, 2020. Based on the recommendation of Nomination and Remuneration Committee, re-appointment of Mr. Henry D'Souza as Independent Director for five years w.e.f. May 25, 2020 are recommended for your approval in the ensuing Annual General Meeting.

Independent Directors are not liable to retire by rotation. Pursuant to the provision of Section 152(6) of the Companies Act, 2013. Mrs. Kalpana Tatavarti, Non-Executive Director, being longest in the office, retire by rotation at the ensuing Annual General Meeting and being eligible offer herself for the reappointment.

The Company has received requisite notices in writing from member(s) of the Company proposing the candidature of Directors of the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Act and applicable Regulations of Listing Regulations. Further, they have declared that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

All Directors have affirmed that they are not debarred from holding the office of a Director by virtue of any SEBI order or any other such Authority. Company has taken the certificate from Mr. Ankush Agarwal (M/s Ankush Agarwal & Associates, Company Secretaries) that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed to this Report as **Annexure- IV**

Further, in the opinion of the Board, the independent directors fulfill the conditions specified in Listing Regulations and they are independent of the management.

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

Condolence

Mr. Ashok Kumar Ramanathan, who was an Independent Director & Chairman of the Board, passed away on November 1, 2018. We, the members of the Board, wish to place on record our profound grief and deep sense of sorrow at the sad demise of Mr. Ashok Kumar Ramanathan.

(ii) Board Evaluation

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

(iii) Remuneration Policy

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

(iv) Board/Committee Composition and Meetings

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

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

During the financial year ended March 31, 2019, two separate meeting of the Independent Directors of the Company were held on May 14, 2018 and May 24, 2018 without the attendance of Non-Independent Directors and the Management team.

During their meeting held on May 24, 2018, the Independent Directors discussed the matters specified in Schedule IV of the Act and Regulation 25 of the Listing Regulations.

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

(vi) Audit Committee

This Committee comprises the following Directors viz. Mr. Ashok Kumar Ramanathan (Chairman of the Committee-till November 1, 2018), Mr. Henry D'Souza (Chairman of the Committee- from November 15, 2018), Mr. Venkatesh Shastry (from November 15, 2018) and Mr. Shrenik Kumar Champalal (From March 31, 2018). The Company Secretary acts as the Secretary to the Committee.

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

(vii) Directors' Responsibility Statement

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

(a) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the Directors have selected accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the financial year ended on that date;

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

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

(e) the Directors have laid down adequate Internal Financial Controls to be followed by the Company and such Internal Financial Controls were adequate and operating effectively during the financial year ended March 31, 2019; and

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively throughout the financial year ended March 31, 2019.

M. GOVERNANCE

(i) Corporate Governance

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

(ii) Vigil Mechanism / Whistle Blower Policy

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

(iii) Risk Management

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

(iv) Internal Financial Controls

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

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

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

All employees are covered under this policy.

The following is the summary of the complaints received and disposed-off during the financial year ended March 31, 2019:

a) No. of complaints filed during the financial year: Nil

b) No. of complaints disposed of during the financial year: Nil

c) Number of complaints pending as on end of the financial year: Nil

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

N. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

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

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

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

P. OTHER DISCLOSURE

(i) Share Capital

There was no change in the paid- up share capital of the Company. As on March 31, 2019, the paid -up capital of the Company was Rs. 1,114,037,160. This comprises 111,403,716 equity shares of Rs. 10/- each fully paid-up.

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

(ii) Open Offer and Minimum Public shareholding

The shareholding of the promoter and promoter group in Xchanging Solutions Limited ("Target Company") had increased to 78.77% due to an open offer made inter-alia by CSC Technologies India Private Limited ("CSC"). This open offer was consummated on January 6, 2017 (the "First Open Offer").

In terms of Regulation 7(4) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations"), read together with Rule 19A(2) of the Securities Contracts (Regulation) Rules, 1957 ("SCRR"), if an acquisition of shares tendered under an open offer results in the shareholding of the acquirer and persons acting in concert with the acquirer (in our case being the members of the promoter and the promoter group of the Target Company) going beyond 75%, they are required to bring down their shareholding to 75% within 12 (twelve) months from the date of such increase. Since the maximum non-pubic shareholding crossed this threshold pursuant to the First Open Offer on January 6, 2017, the Target Company was required to bring down the shareholding of its promoter and promoter group to 75% by January 5, 2018.

However, in the interim, due to the execution of a Merger Agreement on May 24, 2016 inter-alia between Hewlett Packard Enterprise Company and Computer Sciences Corporation, a fresh open offer was triggered ("Second Open Offer"). Subsequently, an application for informal guidance was filed with SEBI to seek clarifications on whether the aforesaid Merger Agreement triggered any obligation to make an open offer under the Takeover Regulations. Pursuant to SEBI's response to the said application, necessary steps were taken in respect of the Second Open Offer. The Public Announcement in this regard was made on November 17, 2017 and the Detailed Public Statement was published on November 24, 2017. The Second Open Offer was completed on June 11, 2018. Pursuant to the Second Open Offer the shareholding of the promoter and promoter group of the Target Company has increased to 90.8%.

In terms of Regulation 2(1)(p) of the Takeover Regulations, "offer period" has been defined to mean "the period between the date of entering into an agreement, formal or informal, to acquire shares, voting rights in, or control over a target company requiring a public announcement, or the date of the public announcement, as the case may be, and the date on which the payment of consideration to shareholders who have accepted the open offer is made, or the date on which open offer is withdrawn, as the case may be". Further, in terms of Regulation 25(4) of the Takeover Regulations, an acquirer and persons acting in concert with the acquirer (in our case being the members of the promoter and the promoter group of Target Company) are not permitted to sell their equity shares during the 'offer period'. Accordingly, the 'offer period' for the Second Open Offer commenced on May 24, 2016 and concluded on June 11, 2018. Based on the foregoing, the members of the promoter and promoter group of the Target Company were unable to comply with minimum public shareholding requirements by way of an 'offer for sale' until the Second Open Offer concluded on account of the said restriction under the Takeover Regulations.

Given that the Second Open Offer has now concluded, the acquirer and persons acting in concert with the acquirer (in our case being the members of the promoter and the promoter group of the Target Company) will bring down the non-public shareholding in the Target Company to the level specified, and within the time prescribed, in the SCRR, Takeover Regulations and applicable SEBI guidelines.

Further, promoters submitted that the aforesaid has been disclosed in the Letter of Offer dated May 8, 2018.

Moreover, Promoters submitted that clarifications in relation to the foregoing have also been submitted to SEBI by way of the letter dated December 30, 2017, in response to SEBI's interim observations on the Draft Letter of Offer in relation to the Second Open Offer.

(iii) Statutory Disclosures

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

(iv) Extract of Annual Return

Pursuant to Sub-section 3(a) of Section 134 and Sub-section (3) of Section 92 of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on March 31, 2019 in Form MGT-9 is attached herewith as **Annexure -VII** and forms a part of this Report.

(v) Compliance of Secretarial Standards

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

(vi) Appointment of Independent Director in an unlisted material Subsidiary

Pursuant to Regulation 24 of the Listing Regulations, Mr. Henry D'Souza, Independent Director of the Company has been appointed as Independent Director w.e.f. April 1, 2019 on the board of Director of Company's unlisted material subsidiary i.e. Xchanging Solutions (USA) Inc and Xchanging Solutions Singapore Pte Limited.

(vii) Change of registered office

The Board of Directors have approved the change of registered office of the Company from "SJR I-Park, Plot No. 13, 14, 15, EPIP Industrial Area, Phase I Whitefield, Bangalore – 560066" to "Kalyani Tech Park - Survey No 1, 6 & 24, Kundanhalli Village, K R Puram Hobli, Bangalore - 560 066" w.e.f. August 1, 2019.

(viii) Responsibility

For Standalone:

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Boards' Report including Annexures to Board's Report, Management Discussion and Analysis and Corporate Governance Report including annexures thereon but does not include the standalone financial statements and auditor's report thereon.

For Consolidated:

The Parent's (Xchanging Solutions Limited) Board of Directors is responsible for the other information. The other information comprises the information included in the Boards' Report including Annexures to the Board's Report, Management Discussion and Analysis and Corporate Governance Report including annexures thereon but does not include the consolidated financial statements and auditor's report thereon.

ACKNOWLEDGEMENTS:

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

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

For and on behalf of the Board of Directors,

Chandrasekhara Rao Boddoju	**Shrenik Kumar Champalal**
Managing Director & Chief Executive Officer	Whole Time Director & Chief Financial Officer
Place: Bangalore	Place: Bangalore
Date: May 23, 2019	Date: May 23, 2019

Form No. AOC-2

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

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

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

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

For and on behalf of the Board of Directors,

Chandrasekhara Rao Boddoju
Managing Director & Chief Executive Officer

Place: Bangalore
Date: May 23, 2019

Shrenik Kumar Champalal
Whole Time Director & Chief Financial Officer

Place: Bangalore
Date: May 23, 2019

MR-3
Secretarial Audit Report

For the Financial period ended 31st March 2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

CIN: L72200KA2002PLC030072

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

Based on my verification of M/s. Xchanging Solutions Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, i hereby report that in my opinion, the Company has, during the audit period covering the financial period ended on 31st March 2019 (Commencing from April 1, 2018 to March 31, 2019), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent based on the management representation letter/ confirmation received from the management, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with my letter dated May 17, 2019 annexed to this report as **Annexure – A.**

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial period ended on 31st March 2019 according to the applicable provisions of:
    i) The Companies Act, 2013 (the Act) and the rules made thereunder;
    ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
    iii) The Depositories Act, 1996 and the regulations and bye–laws framed thereunder;
    iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
    v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act):–
        I. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
        II. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
        III. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit period);
        IV. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit period);
        V. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);
        VI. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit period);
        VII. The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with clients to the extent of securities issued; and
        VIII. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period).
2. I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents, records, management confirmations in pursuance thereof, on test check basis, the Company has complied with Information Technology Act, 2000 and the rules made there under, applicable specifically to the Company, during the financial year 01 April 2018 to 31 March 2019.

3. I have also examined compliance with the applicable clauses of the following:
    i) Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to board and general meetings; and
    ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as **"SEBI (LODR) Regulations, 2015"**) and the Listing Agreements entered into by the Company with the National Stock Exchange of India Limited (hereinafter referred as **"the NSE"**) and the BSE Limited (hereinafter referred as **"The BSE"**).
4. During the period under review, to the best of my knowledge and belief and according to the information and explanations given to me, the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned above, to the extent applicable except mentioned below:

    As per Regulation 33 of SEBI (LODR) Regulations, 2015 financial results for the quarter and six months ended September 30, 2018 were required to be filed within 45 days from the end of the Quarter (i.e. by November 14, 2018). However, the Company had submitted aforesaid financial results with Stock Exchanges with a delay of one day on November 15, 2018.

    With respect to aforesaid Non-compliance under Regulation 33 of SEBI (LODR) Regulations, 2015, the Company had received notice from the NSE (bearing reference no. NSE/LIST-SOP/REG-33/FINES/67978, dated November 30, 2018) and the BSE (bearing reference no. LIST/COMP/532616/Reg.33-quarter/Sep-18/2018-19 dated November 30 2018), through which the NSE and the BSE had levied a fine of Rs. 5,000/- for a delay of one day, which was paid by the Company to the NSE and the BSE, both, on December 6, 2018.
5. I further report that:
    i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non–Executive Directors and Independent Directors. The Board also has a woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
    ii) Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings was sent at least seven days in advance and where any Board Meeting was held on shorter notice the same was conducted in compliance with the Act. A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
    iii) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
    iv) I further report that during the audit period the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines etc.
        (a) The Company on July 13, 2018 had received a Notice, bearing reference no. NSE/LISTCOMP/45549, from the NSE with respect to the composition of Audit Committee in terms of Regulation 18 of SEBI (LODR) Regulations, 2015 for the quarter ended June 30, 2018, which was suitably replied by the Company on July 17, 2018. The Company has not received any further communication on this from NSE till the date of signing of this certificate.
        (b) The Company had received communication from the BSE, dated May 17, 2018, August 16, 2018 and October 26, 2018 with respect to Minimum Public Shareholding (**"MPS"**) requirements specified in Rule 19(2) and 19A of the Securities Contracts (Regulation) Rules, 1957. The Company suitably replied to this communication on May 21, 2018, August 16, 2018 and October 30, 2018 respectively.

            The Company further received letters from the BSE on October 17, 2018 and November 29, 2018 respectively with respect to aforesaid non-compliance and levied fine of Rs. 19,29,300/- for the period 06/01/2018 till 29/11/2018. The Company suitably responded on the same and based upon the representation provided to it by the Company, the BSE Limited had noted the following facts:
            (i) The promoter holding in the Company had increased to 78.77% due to an open offer made by CSC Technologies India Private Limited. This open offer was consummated on January 6, 2017 (the "First Open Offer"); and
            (ii) However, in the interim, due to execution of a merger Agreement on May 24, 2016 inter-alia between Hewlett Packard Enterprise Company and Computer Sciences Corporation, a fresh open offer was triggered ("Second Open Offer"). The Public Announcement was made on November 17, 2017 and the Detailed Public Statement was published on November 24, 2017. The Second Open offer was completed on June 11, 2018. Pursuant to the Second Open Offer the shareholding of the promoter and promoter group of the Company has increased to 90.80%.

                Considering the abovementioned facts, the BSE in its letter dated April 16, 2019 stated that since the Company has time up to June 10, 2019 to comply with the requirements of MPS under Regulation 38 of the SEBI (LODR) Regulations, 2015, letters dated October 17, 2018 and November 29, 2018 issued in this regard to the Company stand withdrawn.

(c) The Company had also received a Notice, through an e-mail, from the NSE with respect to MPS requirements specified in Rules 19 of the Securities Contracts (Regulation) Rules, 1957 on July 16, 2018 which was suitably replied by the Company on July 31, 2018. The Company has not received any further communication on this from NSE till the date of signing of this certificate.

Ankush Agarwal & Associates
Company Secretaries

Ankush Agarwal
Proprietor
Membership No: F9719
Certificate of Practice No: 14486

Date : May 17, 2019
Place : Noida

Annexure –A to Secretarial Audit Report dated May 17, 2019

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

My Secretarial Audit Report dated May 17, 2019 is to be read with this letter.

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

Ankush Agarwal & Associates
Company Secretaries

Ankush Agarwal
Proprietor
Membership No: F9719
Certificate of Practice No: 14486

Date : May 17, 2019
Place : Noida

Remuneration to Directors / KMP/Employees

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

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

Name & Designation	Ratio
Chandrasekhara Rao Boddoju - Managing Director & CEO (from August 9, 2018)	NA
Shrenik Kumar Champalal - Whole Time Director (From March 31, 2018) - Chief Executive Officer (Interim) (From March 31, 2018 to August 8, 2018) - Chief Financial officer (From February 13, 2019)	NA

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

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

Name & Designation	% increase in Remuneration in the financial year ended March 31, 2019
Chandrasekhara Rao Boddoju - Managing Director & CEO (From August 9, 2018)	-
Shrenik Kumar Champalal - Whole Time Director (From March 31, 2018) - Chief Executive Officer (Interim) (From March 31, 2018 to August 8, 2018) - Chief Financial officer (From February 13, 2019)	-
Suresh Akella- Chief Financial Officer (from May 29, 2017 to November 15, 2018)	-
Mayank Jain- Company Secretary (From February 26, 2016)	20

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

(iii) The percentage increase in the median remuneration of employees in the financial year ended March 31, 2019: 4.05%

(iv) The number of permanent employees on the rolls of company: 183

(v) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year- Not applicable as number of employees reduced from 217 to 183 and total salaries (including wages & bonus) from Rs 3,066 Lakhs to Rs 2,361 Lakhs respectively for the current year as compared to previous year.

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

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

For and on behalf of the Board of Directors,

Chandrasekhara Rao Boddoju
Managing Director & Chief Executive Officer

Place: Bangalore
Date: May 23, 2019

Shrenik Kumar Champalal
Whole Time Director & Chief Financial Officer

Place: Bangalore
Date: May 23, 2019

Certificate of Non-disqualification of Director

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Xchanging Solutions Limited, having CIN L72200KA2002PLC030072 and having registered office at SJR I Park, Plot No.13, 14, 15, EPIP Industrial Area, Phase 1, Whitefield, Bangalore, Karnataka-560 066, (hereinafter referred to as **'the Company'**), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority as applicable.

S. No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Henry D'Souza	00276157	29/02/2012
2	Mrs. Gidugu Kalpana Tatavarti	06644105	27/03/2018
3	Mr. Venkatesh Venkatasubba Ramanandashastry Shastry	08277771	15/11/2018
4	Mrs. Nonavinakeri Srinivasaiyengar Rama	06720033	01/04/2019
5	Mr. Chandrasekhara Rao Boddoju	08185777	09/08/2018
6	Mr. Shrenik Kumar Champalal	08099410	31/03/2018

Ensuring the eligibility for the appointment and continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Ankush Agarwal & Associates,
Company Secretaries

Ankush Agarwal
Proprietor
Membership No: F9719
Certificate of Practice No: 14486

Date : May 20, 2019
Place : Noida

Corporate Social Responsibility

Annual Report of Corporate Social Responsibility (CSR) Activities for the Financial Year ending March 31, 2019:

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

   CSR Policy:

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

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

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

2. **Composition of the CSR Committee**

Name	Designation	Role in CSR Committee
Henry D'Souza	Independent Director	Chairman
Venkatesh Shastry	Independent Director	Member
Rama NS	Independent Director	Member
Kalpana Tatavarti	Non-Executive Director	Member
Shrenik Kumar Champalal	Executive Director (Whole Time Director)	Member

3. **Average net profit of the Company for last three financial years:** Rs. 994.67 lakhs
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** Rs. 19.90 lakhs
5. **Details of CSR spent during the financial year:**
   a) **Total amount to be spent for the financial year:** Rs. 19.90 Lakhs
   b) **Amount unspent, if any:** Nil
   c) **Manner in which the amount spent during the financial year is detailed below: (In INR Lakhs)**

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programme: i) Local area or other ii) Specify the State or District where the projects or programmes was undertaken	Amount outlay (Budget) project or programme wise	Amount spent on project or programs: Subhead:	Cumulative expenditure up to the date of reporting	Amount spent: Direct or through implementing agencies
1.	To provide education to disabled	Promoting education, including special education	Chennai, Tamil Nadu	14.40	14.40	14.40	Through a registered trust-Samarthanam Trust for the Disabled
2.	To provide MP3 player for the visually challenged students.	Promoting education, including special education	Chennai, Tamil Nadu	5.25	5.25	5.25	Through a registered trust-The College student & Graduates Association of the Blind (CSGAB)
3.	To provide mid-day meals to students of government school in Bangalore	Eradicating hunger, poverty and malnutrition	Bangalore, Karnataka	0.25	0.25	0.25	Through a registered trust-The Akshaya Patra Foundation
	Total			19.90	19.90	19.90	

1. **Samarthanam Trust for the Disabled**

   Samarthanam Trust for the Disabled is a National Award winning NGO established in the year 1997 by Founder Managing Trustee Mahantesh G Kivadasannavar and his schoolmate and childhood friend, Late. Nagesh SP. Samarthanam works for the empowerment of persons with disabilities and the underserved. Samarthanam caters to people in need by providing plethora of services including quality education, accommodation, nutritious food, vocational training, sports and placement based rehabilitation. The initiatives of Samarthanam strive towards creating opportunities for them to keep pace with the rest of the society.

   Creating a platform for the visually impaired cricketers to portray their talent and ability and promote cricket for the blind at the international level was the primary driving force behind establishing Samarthanam Trust for the Disabled. Creating education opportunities and supporting persons with disabilities was another major reason. As the organization grew in size and strength the initiatives expanded and embraced many more people in need, supporting them in every possible way.

   Samarthanam envisions to touch at least 100,000 lives by 2020, providing comprehensive solutions to the disabled and underserved communities.

2. **The College student & Graduates Association of the Blind (CSGAB)**

   The college students and graduates association of the Blind was established in 1980 by Mr. A.Padmarajan a lecture in the govt arts college (Nandanam) with help of Mr. S.S. Kannan, a retired engineer from Tamil Nadu Electricity board. The organization started with 50 members and has grown in to one of the biggest organizations working toward the betterment of the visually challenged. Over the past two decades, the organization has grown in to an association of over 1000 members.

   Since its inception, the association has been functioning for the welfare of the visually challenged people aiming at providing higher education for them, seeking better employment avenues for the qualified graduates and improving the working conditions of the already employed. This is the only organization in Tamilnadu that act as the liaisoning body between the Government and various other authorities concerning the educational and employment opportunities of the visually challenged. This association is affiliat*ed to the All India Confederation of the Blind (New Delhi).*

3. **About The Akshaya Patra Foundation**

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

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

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

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

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

For Xchanging Solutions Limited

Chandrasekhara Rao Boddoju	**Henry D'Souza**
Managing Director & Chief Executive Officer	Chairman-CSR Committee
Place : Bangalore	Place : Bangalore
Date : May 23, 2019	Date : May 23, 2019

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

A. Conservation of Energy

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

B. Technology Absorption

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

C. Foreign Exchange Earnings and Outgo:

(INR in lakhs)

Particulars	March 31, 2019	March 31, 2018
Total Foreign Exchange earnings	3,895	4,307
Total foreign Exchange outgo	283	373

EXTRACT OF ANNUAL RETURN
FORM MGT -9
(AS ON THE FINANCIAL YEAR ENDED ON March 31, 2019)
Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014

1. REGISTRATION AND OTHER DETAILS OF COMPANY:

i)	CIN	: L72200KA2002PLC030072
ii)	Registration Date	: February 1, 2002
iii)	Name of the Company	: Xchanging Solutions Limited
iv)	Category/Sub-Category of the Company	: Company Limited by shares
v)	Address of the Registered office and contact details	: SJR I –Park, Plot no. 13, 14, 15 EPIP Industrial Area, Phase I, Whitefield Bangalore-560066 Telephone no.: +918043640000 Email id: compliance@xchanging.com
vi)	Whether listed company Yes/No	: Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	: Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31- 32 Gachibowli, Financial District, Nanakramguda, Hyderabad-500032

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

a) **Category-wise Shareholding**

Category of Shareholders	No.of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	0	0	0	0.0	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.0	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.0	0	0	0	0.00	0.00
d) Bodies Corp	29751162	0	29751162	26.71	43149461	0	43149461	38.73	12.03
e) Banks / FI	0	0	0	0.0	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.0	0	0	0	0.00	0.00
Subtotal(A)(1): -	29751162	0	29751162	26.71	43149461	0	43149461	38.73	12.03
2) Foreign									
g) Individuals (NRI/Foreign Individual)	0	0	0	0.00	0	0	0	0.00	0.00
h) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
i) Bodies Corp.	58002787	0	58002787	52.07	58002787	0	58002787	52.07	0.00
j) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
k) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2): -	58002787	0	58002787	52.07	58002787	0	58002787	52.07	0.00
Total shareholding of Promoter (A) = (A1) + (A2)	87753949	0	87753949	78.77	101152248	0	101152248	90.80	12.03
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	300	0	300	0.00	300	0	300	0.00	0.00
b) Banks / FI	413244	0	413244	0.37	404112	0	404112	0.36	-0.01
c) Central Govt/State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	545	0	545	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	414089	0	414089	0.37	404412	0	404412	0.36	-0.01

Category of Shareholders	No.of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.	13896419	10937	13907356	12.48	972265	10937	983202	0.88	-11.60
b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs.1 lakh	3764254	86988	3851242	3.46	3599388	84746	3684134	3.31	-0.15
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2401834	0	2401834	2.16	2094236	0	2094236	1.88	-0.28
c) Others									
Clearing Members	2655	0	2655	0.00	12558	0	12558	0.01	0.01
Foreign Bodies	3008287	0	3008287	2.70	3008287	0	3008287	2.70	0.00
Foreign Nationals	12437	0	12437	0.01	12437	0	12437	0.01	0.00
Non-resident Indians	24228	5527	29755	0.03	23623	5527	29150	0.03	0.00
NRI non-repatriation	21591	0	21591	0.02	22531	0	22531	0.02	0.00
Overseas corporate bodies	300	0	300	0.00	300	0	300	0.00	0.00
NBFC	0	0	0	0.00	0	0	0	0.00	0.00
Trusts	221	0	221	0.00	221	0	221	0.00	0.00
Qualified ForeignInvestor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2)	23132226	103452	23235678	20.86	9745846	101210	9847056	8.84	-12.02
Total Public Shareholding (B)= (B)(1) + (B)(2)	23546315	103452	23649767	21.23	10150258	101210	10251468	9.20	-12.03
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	111300264	103452	111403716	100.00	111302506	101210	111403716	100.00	0.00

b) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	% change in share holding during the year
1.	Xchanging Mauritius Limited	58002787	52.07	Nil	58002787	52.07	Nil	Nil
2.	Xchanging Technology Services India Private Limited	25550000	22.93	Nil	38948299	34.96	Nil	Nil
3.	DXC Technology India Private Limited	4201162	3.77	Nil	4201162	3.77	Nil	Nil

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

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Xchanging Mauritius Limited	58002787	52.07	58002787	52.07
2.	Xchanging Technology Services India Private Limited	25550000	22.93	38948299	34.96
3.	DXC Technology India Private Limited	4201162	3.77	4201162	3.77

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

S. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Date	Type	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company					No of Shares	% of total shares of the company
1	EDELWEISS SECURITIES LTD	1,13,70,849	10.21	31/03/2018	Opening Balance			1,13,70,849	10.21
				25/05/2018	Sale	-22,520	Transfer	1,13,48,329	10.19
				01/06/2018	Sale	-1,13,48,329	Transfer	-	0.00
				31/03/2019	Closing Balance			-	0.00
2	KATRA FINANCE LIMITED	30,08,287	2.70	31/03/2018	Opening Balance			30,08,287	2.70
				31/03/2019	Closing Balance			30,08,287	2.70
3	GLOBE CAPITAL MARKET LTD	9,14,289	0.82	31/03/2018	Opening Balance			9,14,289	0.82
				06/04/2018	Sale	-8,492	Transfer	9,05,797	0.81
				13/04/2018	Purchase	6,220	Transfer	9,12,017	0.82

S. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Type	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company					No of Shares	% of total shares of the company
				20/04/2018	Sale	-40,000	Transfer	8,72,017	0.78
				27/04/2018	Purchase	230	Transfer	8,72,247	0.78
				04/05/2018	Sale	-500	Transfer	8,71,747	0.78
				11/05/2018	Purchase	500	Transfer	8,72,247	0.78
				18/05/2018	Purchase	1,120	Transfer	8,73,367	0.78
				18/05/2018	Sale	-1,120	Transfer	8,72,247	0.78
				25/05/2018	Sale	-7,090	Transfer	8,65,157	0.78
				01/06/2018	Purchase	16,842	Transfer	8,81,999	0.79
				01/06/2018	Sale	-39,185	Transfer	8,42,814	0.76
				08/06/2018	Purchase	7,552	Transfer	8,50,366	0.76
				08/06/2018	Sale	-10,150	Transfer	8,40,216	0.75
				15/06/2018	Sale	-21,000	Transfer	8,19,216	0.74
				22/06/2018	Purchase	40,144	Transfer	8,59,360	0.77
				29/06/2018	Purchase	400	Transfer	8,59,760	0.77
				06/07/2018	Purchase	2,519	Transfer	8,62,279	0.77
				06/07/2018	Sale	-74,806	Transfer	7,87,473	0.71
				13/07/2018	Purchase	76,410	Transfer	8,63,883	0.78
				13/07/2018	Sale	-1,748	Transfer	8,62,135	0.77
				27/07/2018	Purchase	1,130	Transfer	8,63,265	0.77
				03/08/2018	Purchase	9,209	Transfer	8,72,474	0.78
				03/08/2018	Sale	-7,552	Transfer	8,64,922	0.78
				10/08/2018	Sale	-19,300	Transfer	8,45,622	0.76
				17/08/2018	Purchase	5,810	Transfer	8,51,432	0.76
				17/08/2018	Sale	-96,989	Transfer	7,54,443	0.68
				24/08/2018	Sale	-5,633	Transfer	7,48,810	0.67
				31/08/2018	Purchase	2,336	Transfer	7,51,146	0.67
				07/09/2018	Sale	-5,678	Transfer	7,45,468	0.67
				21/09/2018	Sale	-100	Transfer	7,45,368	0.67
				29/09/2018	Sale	-54,862	Transfer	6,90,506	0.62
				05/10/2018	Sale	-400	Transfer	6,90,106	0.62
				12/10/2018	Sale	-353	Transfer	6,89,753	0.62
				19/10/2018	Sale	-16,559	Transfer	6,73,194	0.60
				26/10/2018	Sale	-297	Transfer	6,72,897	0.60
				23/11/2018	Sale	-43,683	Transfer	6,29,214	0.56
				07/12/2018	Sale	-100	Transfer	6,29,114	0.56
				21/12/2018	Sale	-10,000	Transfer	6,19,114	0.56
				01/02/2019	Purchase	36,849	Transfer	6,55,963	0.59
				01/02/2019	Sale	-43,849	Transfer	6,12,114	0.55
				08/02/2019	Sale	-36,849	Transfer	5,75,265	0.52
				22/02/2019	Purchase	9,690	Transfer	5,84,955	0.53
				22/02/2019	Sale	-9,690	Transfer	5,75,265	0.52
				22/03/2019	Sale	-10,062	Transfer	5,65,203	0.51

S. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Type	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company					No of Shares	% of total shares of the company
				29/03/2019	Purchase	10,000	Transfer	5,75,203	0.52
				30/03/2019	Purchase	5,000	Transfer	5,80,203	0.52
				31/03/2019	Closing Balance			5,80,203	0.52
4	LIFE INSURANCE CORPORATION OF INDIA	3,88,382	0.35	31/03/2018	Opening Balance			3,88,382	0.35
				31/03/2019	Closing Balance			3,88,382	0.35
5	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED	3,67,860	0.33	31/03/2018	Opening Balance			3,67,860	0.33
				06/04/2018	Purchase	800	Transfer	3,68,660	0.33
				20/04/2018	Purchase	4,019	Transfer	3,72,679	0.33
				27/04/2018	Purchase	13,638	Transfer	3,86,317	0.35
				04/05/2018	Purchase	16,852	Transfer	4,03,169	0.36
				11/05/2018	Purchase	68,123	Transfer	4,71,292	0.42
				18/05/2018	Sale	-32,685	Transfer	4,38,607	0.39
				25/05/2018	Sale	-3,044	Transfer	4,35,563	0.39
				01/06/2018	Sale	-4,34,642	Transfer	921	0.00
				15/06/2018	Sale	-921	Transfer	-	0.00
				31/03/2019	Closing Balance			-	0.00
6	CHANDRA PRAKASH KHANDELWAL	2,28,000	0.20	31/03/2018	Opening Balance			2,28,000	0.20
				01/06/2018	Sale	-2,28,000	Transfer	-	0.00
				15/06/2018	Purchase	1,25,000	Transfer	1,25,000	0.11
				10/08/2018	Sale	-10,000	Transfer	1,15,000	0.10
				01/02/2019	Sale	-5,000	Transfer	1,10,000	0.10
				15/03/2019	Purchase	15,000	Transfer	1,25,000	0.11
				31/03/2019	Closing Balance			1,25,000	0.11
7	R. B. K. SHARE BROKING LTD.	2,15,500	0.19	31/03/2018	Opening Balance			2,15,500	0.19
				01/06/2018	Sale	-2,15,500	Transfer	-	0.00
				10/08/2018	Purchase	10,000	Transfer	10,000	0.01
				09/11/2018	Sale	-2,000	Transfer	8,000	0.01
				16/11/2018	Purchase	2,000	Transfer	10,000	0.01
				01/02/2019	Sale	-9,173	Transfer	827	0.00
				08/02/2019	Purchase	14,173	Transfer	15,000	0.01
				15/03/2019	Sale	-15,000	Transfer	-	0.00
				31/03/2019	Closing Balance			-	0.00

S. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Type	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company					No of Shares	% of total shares of the company
8	IL & FS SECURITIES SERVICES LIMITED	1,86,163	0.17	31/03/2018	Opening Balance			1,86,163	0.17
				06/04/2018	Sale	-100	Transfer	1,86,063	0.17
				13/04/2018	Sale	-2,281	Transfer	1,83,782	0.16
				20/04/2018	Sale	-24	Transfer	1,83,758	0.16
				27/04/2018	Purchase	110	Transfer	1,83,868	0.17
				27/04/2018	Sale	-110	Transfer	1,83,758	0.16
				11/05/2018	Sale	-20,100	Transfer	1,63,658	0.15
				18/05/2018	Sale	-1,300	Transfer	1,62,358	0.15
				25/05/2018	Purchase	1,150	Transfer	1,63,508	0.15
				08/06/2018	Sale	-97,516	Transfer	65,992	0.06
				15/06/2018	Purchase	728	Transfer	66,720	0.06
				15/06/2018	Sale	-728	Transfer	65,992	0.06
				22/06/2018	Purchase	100	Transfer	66,092	0.06
				13/07/2018	Purchase	1,787	Transfer	67,879	0.06
				13/07/2018	Sale	-1,787	Transfer	66,092	0.06
				20/07/2018	Purchase	580	Transfer	66,672	0.06
				03/08/2018	Sale	-33,565	Transfer	33,107	0.03
				31/08/2018	Sale	-2,150	Transfer	30,957	0.03
				07/09/2018	Sale	-4,000	Transfer	26,957	0.02
				21/09/2018	Sale	-1,422	Transfer	25,535	0.02
				12/10/2018	Purchase	8,350	Transfer	33,885	0.03
				04/01/2019	Sale	-10,005	Transfer	23,880	0.02
				01/02/2019	Sale	-8,450	Transfer	15,430	0.01
				22/03/2019	Sale	-5,000	Transfer	10,430	0.01
				29/03/2019	Sale	-330	Transfer	10,100	0.01
				31/03/2019	Closing Balance			10,100	0.01
9	VINEET NAHATA	5,436	0.00	31/03/2018	Opening Balance			5,436	0.00
				18/05/2018	Purchase	16,700	Transfer	22,136	0.02
				01/06/2018	Purchase	5,490	Transfer	27,626	0.02
				08/06/2018	Purchase	2,549	Transfer	30,175	0.03
				08/06/2018	Sale	-4,000	Transfer	26,175	0.02
				22/06/2018	Purchase	3,358	Transfer	29,533	0.03
				20/07/2018	Purchase	341	Transfer	29,874	0.03
				27/07/2018	Purchase	1,697	Transfer	31,571	0.03
				10/08/2018	Sale	-6,500	Transfer	25,071	0.02
				17/08/2018	Sale	-1,500	Transfer	23,571	0.02
				24/08/2018	Purchase	6,000	Transfer	29,571	0.03
				31/08/2018	Purchase	7,416	Transfer	36,987	0.03

S. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Type	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company					No of Shares	% of total shares of the company
				14/09/2018	Purchase	500	Transfer	37,487	0.03
				12/10/2018	Sale	-4,000	Transfer	33,487	0.03
				16/11/2018	Sale	-3,582	Transfer	29,905	0.03
				22/02/2019	Purchase	1,31,411	Transfer	1,61,316	0.14
				31/03/2019	Closing Balance			1,61,316	0.14
10	SANGEETA RAJIVPRITMANI	1,56,700	0.14	31/03/2018	Opening Balance			1,56,700	0.14
				28/09/2018	Purchase	600	Transfer	1,57,300	0.14
				12/10/2018	Purchase	2,300	Transfer	1,59,600	0.14
				19/10/2018	Purchase	100	Transfer	1,59,700	0.14
				26/10/2018	Purchase	3,000	Transfer	1,62,700	0.15
				01/02/2019	Purchase	200	Transfer	1,62,900	0.15
				15/02/2019	Purchase	100	Transfer	1,63,000	0.15
				22/03/2019	Purchase	100	Transfer	1,63,100	0.15
				31/03/2019	Closing Balance			1,63,100	0.15

* Increase / (decrease) in shareholding as stated above is based on details of beneficial ownership furnished by the depository

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

S. No.	Names of Director and Key Managerial Personnel	Shareholding at the beginning & at the end of the year
1.	Ashok Kumar Ramanathan (till November 1, 2018)	NIL
2.	Henry D'Souza	NIL
3.	Venkatesh Shastry (from November 15, 2018)	NIL
4.	Chandrasekhara Rao Boddoju (from August 9, 2018)	NIL
5.	Suresh Akella (till November 15, 2018)	NIL
6.	Kalpana Tatavarti (From 27 March 2018)	NIL
7.	Shrenik Kumar Champalal (From March 31, 2018)	1
8.	Mayank Jain (From 26 February 2016)	1

5. **INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10,54,775	-	-	10,54,775
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	86,898	-	-	86,898
Total (i + ii + iii)	11,41,673	-	-	11,41,673
Change in Indebtedness during the financial year				
Principal				
• Addition	-	-	-	-
• Reduction	7,55,887	-	-	7,55,887
Interest				
• Reduction	70,786	-	-	70,786
Net Change				
• Principal	7,55,887	-	-	7,55,887
• Interest	70,786	-	-	70,786
Indebtedness at the end of the financial year				
i) Principal Amount	2,98,888	-	-	2,98,888
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	16,112	-	-	16.112
Total (i + ii + iii)	3,15,000	-	-	3,15,000

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

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

S. No.	Particulars of Remuneration				Total Amount
		MD	WTD	Manager	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	-	46.40	-	46.40
	(b) Value of perquisites u/s17(2) of Income-tax Act,1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	• as % of profit	-	-	-	-
	• others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total (A)	-	46.40	-	46.40
	Ceiling as per the Act	It is in accordance with the ceiling as specified under section 197 of the Companies Act, 2013.			

B. Remuneration to other directors:

(INR in Lakhs)

S. No.	Particulars of Remuneration	Name of Directors				
1	Independent Directors	Ashok Kumar	Henry D Souza	Kalpana Tatavarti	Venkatesh Shastry	Total Amount
	• Fee for attending board committee meetings • Commission • Others, please specify	6.60	10.80	N.A	4.20	21.60
	Total (1)	6.60	10.80	N.A	4.20	21.60
	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	N.A	N.A	7.80	N.A	N.A
	Total (2)	N.A	N.A	7.80	N.A	7.80
	Total (B)= (1+2)	6.60	10.80	7.80	4.20	29.40
	Total Managerial Remuneration	N.A	N.A	N.A	N.A	N.A
	Overall Ceiling as per the Act	It is in accordance with the ceiling as specified under Companies Act, 2013				

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

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO*	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	13.35	35.23	48.58
	(b) Value of perquisites u/s17(2) of Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission • as % of profit • others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	13.35	35.23	48.58

* Mr. Suresh resigned as CFO on November 15, 2018.

7. **PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

OVERVIEW

Xchanging Solutions Limited was incorporated on February 1, 2002 with operations in India, and an international presence established through subsidiaries in several countries.

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

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

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

According to IBEF, India's IT & ITeS industry grew to US$ 181 billion in 2018-19. Exports from the industry increased to US$ 137 billion in FY19 while domestic revenues (including hardware) advanced to US$ 44 billion. Spending on Information Technology in India is expected to grow over 9 per cent to reach US$ 87.1 billion in 2018. Revenue from digital segment is expected to comprise 38 percent of the forecasted US$ 350 billion industry revenue by 2025.

The global sourcing market in India continues to grow at a higher pace compared to the IT-BPM industry. India is the leading sourcing destination across the world, accounting for approximately 55 per cent market share of the US$ 185-190 billion global services sourcing business in 2017-18. Indian IT & ITeS companies have set up over 1,000 global delivery centres in about 80 countries across the world. India has become the digital capabilities hub of the world with around 75 per cent of global digital talent present in the country.

Investments/ Developments

Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflows worth US$ 35.82 billion between April 2000 to December 2018, according to data released by the Department of Industrial Policy and Promotion (DIPP).

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. Export revenue of the industry is expected to grow 7-9 per cent year-on-year to US$ 135-137 billion in FY19. The industry is expected to grow to US$ 350 billion by 2025 and BPM is expected to account for US$ 50-55 billion out of the total revenue.
* Source: India Brand Equity Foundation (IBEF)

RISKS AND CONCERNS

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

HOW WE MANAGE RISK

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

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

OVERVIEW OF RISK MANAGEMENT PROCESS

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

A. OVERVIEW

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

B. RESULTS OF OPERATIONS

1. Review of Operations

During the financial year ended March 31, 2019, the consolidated revenue of your Company was Rs. 18,410 Lakhs against Rs. 18,590 Lakhs during the previous year ended March 31, 2018. Other income of the Company for the current year was Rs. 1,455 Lakhs against Rs. 1,577 Lakhs in the previous year.

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

2. Performance

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

(INR in lakhs)

Particulars	For the Financial year ended March 31, 2019	For the Financial year ended March 31, 2018
Total Income	19,865	20,167
Total Expenditure	14,137	15,985
Profit before Interest, Depreciation and Tax	5,728	4,182
Depreciation & Amortization	47	117
Finance Costs	1	4
Profit/(Loss) before Tax	5,680	4,061
Income Tax (including deferred tax)	1,009	897
Net Profit/(Loss) after Tax	4,671	3,164
Other Comprehensive Income/(Expenditure)	293	203
Total Comprehensive Income/(Expenditure)	4,964	3,367
Earnings/(Loss) per share Rs.	4.19	2.84

3. Geographic Profile

(INR. in lakhs)

Geography	March 31, 2019 (12 months period)		March 31, 2018	
	Revenue	%	Revenue	%
Europe	1,790	10%	2,182	12%
USA	9,692	53%	9,911	53%
India	1,308	7%	1,286	7%
Rest of the World	5,620	30%	5,211	28%
Total	**18,410**	**100%**	**18,590**	**100.00%**

4. Capital Markets

The Capital Market Information relating to the company's shares such as stock exchanges in which they are listed/traded, trading volume, stock price movements etc., has been provided in the Report on Corporate Governance (under the heading "General Shareholder Information") which forms part of the Annual Report 2018-19.

5. Key Financial Ratios

The table below summarizes the key financial ratios along with detailed explanations:

S. No.	Particulars	Standalone		Reason
		March 31, 2019	March 31, 2018	
1	Debtors Turnover	5.8	4.6	Change in ratio is due to movement in net debtors and turnover balances in the current year.
2	Current Ratio	3.3	2.8	There is no significant change.
3	Operating Profit Margin (%)	23.6%	4.5%	The increase in operating profit as a percentage of revenue for the current year as compared to the previous year was attributable to an increase in gross profit as a percentage of revenue during the same period and to a decrease in operating expenses.

S. No.	Particulars	Standalone		Reason
		March 31, 2019	March 31, 2018	
4	Net Profit Margin (%)	31.7%	10.0%	The increase in net profit as a percentage of revenue for the current year as compared to the previous year was primarily attributable to an increase in operating profit as a percentage of revenue during the same period.
5	Return on Net Worth (%)	8.4%	3.0%	Return on Net worth is higher mainly due to increased growth in profit for the period as compared to growth in average net worth.

Note:

1. Interest Coverage ratio and Debt Equity ratio are not relevant for the Company as it has negligible debt.
2. There is no inventory in the Company and hence Inventory Turnover ratio is not applicable.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND EMPLOYEE RELATIONS

Developing Talent

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

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

Employee Diversity

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

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

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

Xchanging Solutions Limited has a total of 183 employees on its rolls as of March 31, 2019.

1. COMPANY'S PHILOSOPHY

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

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

2. BOARD OF DIRECTORS:

A. Composition of Board of Directors:

The Board of Directors as on March 31, 2019 comprised of 5 (five) Directors of which 3 (three) are Non – Executive Directors. The Chairman is a Non-Executive Director (Independent Director) as on March 31, 2019. The number of Independent Directors on the Board is 2 (two). The composition of Board is in conformity with Regulation 17 of the Listing Regulations entered with the Stock Exchanges.

Membership in Board and Sub - Committees of the Directors of the Company as on March 31, 2019 – other than Xchanging Solutions Limited **("the Company")** is as under:

Name of the Director	Category	DIN	No. of outside Directorships of public companies@	No. of outside Board level committees where chairperson or member #	
				Member	Chairman
Non-Executive Director					
Henry D'Souza	Independent Director	00276157	Nil	Nil	Nil
Venkatesh Shastry	Independent Director	08277771	Nil	Nil	Nil
Kalpana Tatavarti	Non-Executive Director (from 27 March 2018)	06644105	Nil	Nil	Nil
Executive Directors					
Chandrasekhara Rao Boddoju	Executive Director (Managing Director and CEO)	08185777	Nil	Nil	Nil
Shrenik Kumar Champalal	Executive Director (Whole Time Director)	08099410	Nil	Nil	Nil

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

 # Includes only Audit Committee and Stakeholders' Relationship Committee.

Mrs. Rama NS has been appointed as Independent Director with effect from April 1, 2019.

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

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

During the financial year ended March 31, 2019, total 4 (four) Board Meetings were held on the following dates – May 24, 2018; August 9, 2018; November 15, 2018; and February 13, 2019. The gap between two meetings did not exceed 120 days. These meetings had good attendance. The last AGM of the Company held on September 26, 2018.

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

Director	Category	Number of Board Meetings attended	Leave of Absence Granted	Attendance at the AGM
Ashok Kumar Ramanathan (till November 1, 2018)	Independent Director	2	Nil	Yes
Henry D'Souza	Independent Director	4	Nil	Yes
Venkatesh Shastry (From November 15, 2018)	Independent Director	2	Nil	NA
Kalpana Tatavarti	Non-Executive Director	4	Nil	Yes
Chandrasekhara Rao Boddoju (From August 9, 2018)	Executive Director	3	Nil	Yes
Shrenik Kumar Champalal	Executive Director	4	Nil	Yes

C. Meetings of Independent Directors

During the financial ended March 31, 2019, two separate meetings of the Independent Directors of the Company were held on May 14, 2018 and May 24, 2018 without the attendance of Non-Independent Directors and the Management team.

During their meeting held on May 24, 2018, the Independent Directors reviewed the performances of Non-Independent Directors, Chairman and the Board as whole and assessed the flow of information between the company management and the Board.

D. Directors seeking Appointment/ Re-appointment

Mr. Venkatesh Shastry and Mrs. Rama NS, were appointed as an Independent Director of the Company w.e.f. November 15, 2018 and April 1, 2019, respectively by the Board of Directors through resolution by circulation on the recommendation of Nomination & Remuneration Committee, pursuant to the provisions of the Companies Act, 2013, subject to the approval of the shareholders.

The appointment of Mr. Venkatesh Shastry & Mrs. Rama NS as an Independent Director are recommended for your approval in the ensuing Annual General Meeting.

Further, Mr. Henry D'Souza has been appointed as an Independent Director of the Company for 5 (five) years w.e.f. May 25, 2015. Accordingly, first term of his office will be expired on May 24, 2020. Based on the recommendation of Nomination and Remuneration Committee, re-appointment of Mr. Henry D'Souza as Independent Director for five years w.e.f. May 25, 2020 are recommended for your approval in the ensuing Annual General Meeting.

Mr. Venkatesh Shastry, Mrs. Rama NS and Mr. Henry D'Souza are the Chairman/Member of the following Board's Committees:

S. No.	Name of the Committee	Position held by Venkatesh Shastry	Position held by Rama NS	Position held by Henry D'Souza
1.	Audit Committee	Member	Member	Chairman
2.	Corporate Social Responsibility Committee	Member	Member	Chairman
3.	Nomination & Remuneration Committee	Chairman	Member	Member
4.	Stakeholder & Relationship Committee	Member	Member	Chairman
5.	Committee of Independent Director	Member	Member	Chairman

Independent Directors are not liable to retire by rotation. Pursuant to the provision of Section 152(6) of the Companies Act, 2013 Mrs. Kalpana Tatavarti, Non-Executive Director, being longest in the office, retire by rotation at the ensuing Annual General Meeting and being eligible offer herself for the reappointment.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Act and applicable Regulations of Listing Regulations. Further, they have declared that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

All Directors have affirmed that they are not debarred from holding the office of a Director by virtue of any SEBI order or any other such Authority.

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

Code of Conduct

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

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

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

E. Compliance Certification

As required under Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, Mr. Chandrasekhara Rao Boddoju, Managing Director and Chief Executive Director and Mr. Shrenik Kumar Champalal, Whole Time Director and Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the financial year ended March 31, 2019. The Certificate is annexed to this Report as **Annexure- A**

F. Board Evaluation

As required under the provisions of Section 134(3)(p) of the Act and Regulation 4 of the Listing Regulations, the Board and Committees of the Board have carried out annual evaluation of own performance. The performance evaluation framework is in place and the evaluation questionnaires were circulated to all the members of the Board and Committees for their response to evaluate performance of Board and Committees of the Board. Board has satisfied the board evaluation carried out for the year and there is no previous & current year's observation and action.

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

G. Familiarization Programme for Independent Directors

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

H. Matrix setting out the skills/expertise/competence of the Board of Directors

SEBI has issued notification vide no. SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018 for identifying the skills/expertise/competencies of the board of directors as required in the context of Company's business and sector(s). Board has identified the below core skills/expertise/competencies and also noted that these skills/expertise/competencies are in existence in the Board.

Areas	**Description**
Strategy and planning	Ability to think strategically and identify and critically assess strategic opportunities & threats and develop effective strategies in the context of the strategic objectives of the Company's relevant policies and priorities.
Governance (including policy)	Develop appropriate policies & define the parameters.
Finance	Qualifications and experience in accounting and/or finance and the ability to: • Analyze key financial statements; • Critically assess financial viability and performance; • Contribute to strategic financial planning;
Commercial/Business Development	A broad range of commercial/business development in areas including communications, marketing, branding and business systems, practices and improvement.
Information Technology	Qualification and experience in IT industries.

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

A. **Remuneration Policy**

Pursuant to the provisions of Section 178 of the Act, the Company has adopted a Policy for Remuneration of Directors, Key Managerial Personnel and Senior Management, which has been approved by the Board of the Company at its Meeting held on November 7, 2014 and further revised on March 28, 2019 by way of resolution by circulation based on the recommendations made by the Nomination and Remuneration Committee. The Nomination and Remuneration Policy is available at http://www.xchanging.com/investor-relations/xsl-content.

Appointment

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

Remuneration

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

B. **Remuneration to Non-Executive Directors for the financial year ended March 31, 2019**

The remuneration and sitting fee paid to the Non-executive directors during the financial year ended March 31, 2019 along with their respective shareholding in the Company are as under:

(INR in Lakhs)

Directors	Sitting Fees paid for the Board and Committee Meetings held during the financial period ended March 31, 2019	Commission for the financial period ended March 31, 2019, provided as payable in the accounts of the Company for the year under review	No. of Equity Shares held as on March 31, 2019
Ashok Kumar Ramanathan (till November 1, 2018)	6.60	Nil	Nil
Henry D'Souza	10.80	Nil	Nil
Venkatesh Shastry (From November 15, 2018)	4.20	Nil	Nil
Kalpana Tatavarti	7.80	Nil	Nil

C. **Remuneration paid/payable to Executive Director (Whole-time Director/Managing Director) for the financial year ended March 31, 2019**

Following Remuneration was paid to whole-time director/Managing Director during the financial year ended March 31, 2019. The said remuneration was fixed by the Nomination and Remuneration Committee and subsequently approved by the Board of Directors and Shareholders of the Company.

Desigation of Executive Director	(*INR in Lakhs)*					Contract Period	Shares held as on March 31, 2019
	Salary	Commission	Company's contribution to Funds	Perquisites & Allowance	Total		
Managing Director	-	-	-	-	-	For 3 years with effect from August 9, 2018	-
Whole Time Director	46.40	-	-	-	46.40	For 3 years with effect from March 31, 2018	01

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

Sl. No.	Name of the Director	Chandrasekhara Rao Boddoju, Managing Director (from August 9, 2018)	Shrenik Kumar Champalal, Whole Time Director (From March 31, 2018)
(a)	Salary, benefits, bonuses, stock options, pension etc.	Salary not exceeding INR 36 lakhs per annum. Reimbursement of travel and out of pocket expenses incurred for business purpose of the Company.	Salary not exceeding INR 60 Lacs per annum. Reimbursement of travel and out of pocket expenses incurred for business purpose of the Company.
(b)	Details of fixed component and performance linked incentives, along with the performance criteria;	Fixed Salary not exceeding INR 36 lakhs per annum. Not entitled for any performance linked incentives.	Fixed Salary not exceeding INR 60 lakhs per annum. Not entitled for any performance linked incentives.
(c)	Service contracts, notice period, severance fees;	The appointment of Mr. Chandrasekhara Rao Boddoju as Managing Director is for period of 3 years with effect from August 9, 2018.	The appointment of Mr. Shrenik Kumar Champalal as Whole Time Director is for period of 3 years with effect from March 31, 2018.
(d)	Stock option details, their pricing at the time of issue, period over which accrued and period over which exercisable.	NA	NA

4. RISK MANAGEMENT

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

5. COMMITTEES OF THE BOARD

A. Audit Committee

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

The role/term of references of the audit committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a) Matters required to be included in the Director's Responsibility Statement to be included in the Boards' Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
   b) Changes, if any, in accounting policies and practices and reasons for the same.
   c) Major accounting entries involving estimates based on the exercise of judgement by Management.

   d) Significant adjustments made in the financial statements arising out of audit findings.
   e) Compliance with listing and other legal requirements relating to financial statements.
   f) Disclosure of any related party transactions.
   g) Modified opinion(s) in the draft audit report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/or advances from/ investment by the company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary whichever is lower including existing loans/advances/ investments existing as on the date of coming into force of this provision.
22. Review the compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively

Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters/letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. Statement of deviations:
   a) quarterly statement of deviation(s) including report of monitoring agency if applicable, submitted to stock exchanges in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
   b) annual statement of funds utilized for purposes other than those stated in the offer document /prospectus /notice in terms of Regulation 32(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

a) To investigate any activity within its terms of reference.

b) To seek information from any employee.

c) To obtain outside legal or other professional advice.

d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Composition of the Audit Committee

The composition of the Audit Committee is as follows:

1. Henry D'Souza
2. Venkatesh Shastry (from November 15, 2018)
3. Rama NS (From April 1, 2019)
4. Shrenik Kumar Champalal

Mr. Henry D'Souza is the Chairman of the Audit Committee. Mr. Mayank Jain is the Secretary of the Audit Committee.

Mr. Ashok Kumar Ramanathan was Chairman till November 1, 2018.

During the financial year ended March 31, 2019, 4 (Four) meetings of the Audit Committee were held, the dates being May 24, 2018; August 9, 2018; November 15, 2018; and February 13, 2019.

The attendance for the Audit Committee meetings are as follows:

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Ashok Kumar Ramanathan (till November 1, 2018)	Chairman	2	Nil
Henry D'Souza	Chairman (from November 15, 2018)	4	Nil
Venkatesh Shastry (from November 15, 2018)	Member	2	Nil
Shrenik Kumar Champalal	Member	4	Nil

The previous Annual General Meeting of the Company was held on September 26, 2018 and the Chairman of the Audit Committee was present at the Annual General Meeting of the Company. All recommendation of the Audit Committee were accepted by the Board.

B. Nomination and Remuneration Committee

1. The Nomination and Remuneration Committee of the Company is constituted in line with Regulation 19(4) read with Part D of Schedule II of the Listing Regulations read with Section 178 of the Act.
2. The role, duties, terms of references and powers of the Nomination and Remuneration Committee are as follows:
   a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

   b) formulation of criteria for evaluation of performance of independent directors and the board of directors;

   c) devising a policy on diversity of board of directors;

   d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Director their appointment and removal.

   e) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

   f) recommend to the board, all remuneration, in whatever form, payable to senior management.

   g) while formulating the policy under sub-section (3) of 178 of the Companies Act, 2013 ensure that—

      (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

      (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

      (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

The composition of the Nomination & Remuneration Committee is as follows:-

1. Venkatesh Shastry (from November 15, 2018)
2. Henry D'Souza
3. Rama NS (from April 1, 2019)
4. Kalpana Tatavarti

Mr. Venkatesh Shastry is the Chairman of the Nomination & Remuneration Committee. Mr. Mayank Jain is the Secretary of the Nomination & Remuneration Committee.

Mr. Ashok Kumar Ramanathan was Chairman till November 1, 2018.

During the financial year ended March 31, 2019, 3 (Three) meetings of the Nomination and Remuneration Committee were held, the dates being May 24, 2018; August 9, 2018; and February 13, 2019.

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

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Ashok Kumar Ramanathan (till November 1, 2018)	Chairman	2	Nil
Venkatesh Shastry (from November 15, 2018)	Chairman	1	Nil
Henry D'Souza	Member	3	Nil
Kalpana Tatavarti	Member	3	Nil

The previous Annual General Meeting of the Company was held on September 26, 2018 and the Chairman of the Nomination & Remuneration Committee was present at the Annual General Meeting of the Company. All recommendation of the Nomination & Remuneration Committee were accepted by the Board.

Performance evaluation criteria for Independent Directors

The Nomination and Remuneration policy of the Company lays down the criteria for Directors/Key Managerial Personnel appointment and remuneration including criteria for determining qualification, positive attributes, independence of Directors, criteria for performance evaluation of Executive and Non-Executive Directors (including Independent Directors) and other matters as prescribed under the provisions of the Act and the Listing Regulations as well as the performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated including but not limited to participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgment etc.

C. Stakeholder Relationship Committee

1. The Stakeholder Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of the Listing Regulations read with Section 178 of the Act.

The role/term of reference of the Stakeholders Relationship committee shall include the following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The composition of the Stakeholders Relationship Committee is as follows:

1. Henry D'Souza
2. Venkatesh Shastry (from November 15, 2018)
3. Rama NS (From April 1, 2019)
4. Kalpana Tatavarti
5. Shrenik Kumar Champalal

Mr. Henry D'Souza is the Chairman of the Stakeholder Relationship Committee. Mr. Mayank Jain is the Compliance Officer and Secretary of the Stakeholder Relationship Committee.

Mr. Ashok Kumar Ramanathan was Chairman till November 1, 2018.

During the financial year ended March 31, 2019, there were 4 (four) meetings of Stakeholders Relationship Committee - the dates being May 24, 2018; August 9, 2018; November 15, 2018; and February 13, 2019.

The attendance for the Stakeholders Relationship Committee meetings is as follows:

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Ashok Kumar Ramanathan (till November 1, 2018)	Chairman	2	Nil
Henry D'Souza	Chairman (from November 15, 2018)	4	Nil
Venkatesh Shastry (from November 15, 2018)	Member	2	Nil
Kalpana Tatavarti (From 27 March 2018)	Member	4	Nil
Shrenik Kumar Champalal(From March 31, 2018)	Member	4	Nil

During the financial year ended March 31, 2019**,** 8 (Eight) complaints of the shareholders were received and resolved in a timely manner. There are no pending investor complaints as on March 31, 2019. The previous Annual General Meeting of the Company was held on September 26, 2018 and the Chairman of the Stakeholder Relationship Committee was present at the Annual General Meeting of the Company. All recommendation of the Stakeholder Relationship Committee were accepted by the Board.

D. Corporate Social Responsibility Committee

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

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

The composition of the Corporate Social Responsibility Committee (CSR) is as follows:

1. Henry D'Souza
2. Rama NS (from April 1, 2019)
3. Venkatesh Shastry (from November 15, 2018)
4. Kalpana Tatavarti
5. Shrenik Kumar Champalal

Mr. Henry D'Souza is the Chairman of the Corporate Social Responsibility Committee. Mr. Mayank Jain is the Secretary of the Corporate Social Responsibility Committee.

Mr. Ashok Kumar Ramanathan was Chairman till November 1, 2018.

During the financial year ended March 31, 2019**,** 1 (one) meeting of the CSR Committee was held; the date being May 24, 2018.

The attendance for the CSR Committee meetings is as follows:

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Ashok Kumar Ramanathan (till November 1, 2018)	Chairman	1	Nil
Henry D'Souza	Chairman (from November 15, 2018)	1	Nil
Venkatesh Shastry (from November 15, 2018)	Member	NA	NA
Kalpana Tatavarti (From 27 March 2018)	Member	1	Nil
Shrenik Kumar Champalal (From March 31, 2018)	Member	1	Nil

6. GENERAL BODY MEETINGS

A. Details of Annual General Meetings and Special Resolutions passed

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

Date	Time	Venue	Special Resolutions Passed	Directors' Attendance at AGM
September 26, 2018	10 AM	SJR I-Park, Plot No.13, 14, 15, EPIP Industrial Area, Phase I Whitefield, Bangalore–560 066	1. Approval of appointment & remuneration of Mr. Shrenik Kumar Champalal as Whole Time Director of the Company. 2. Approval of appointment & remuneration of Mr. Chandrasekhara Rao Boddoju as Managing Director of the Company. 3. Approval of appointment & remuneration of Mr. Ramaswamy Sankaranarayanan Kavalapara as Managing Director (Interim) of the Company. 4. Determine the fees for delivery of any document through a particular mode of delivery to a member.	1. Ashok Kumar Ramanathan 2. Henry D'Souza 3. Kalpana Tatavarti 4. Chandrasekhara Rao Boddoju 5. Shrenik Kumar Champalal
September 13, 2017	10 AM	SJR I-Park, Plot No. 13, 14, 15, EPIP Industrial Area, Phase I Whitefield, Bangalore–560 066	Approval of appointment of Mr. Srikrishna Madhavan as Managing Director of the company for a period of 3 (three) years.	1. Ashok Kumar Ramanathan 2. Henry D'Souza 3. Srikrishna Madhavan 4. Rekha Murthy
June 27, 2016	10 AM	SJR I-Park, Plot No. 13, 14, 15, EPIP Industrial Area, Phase I Whitefield, Bangalore–560 066	No special resolution has been passed.	1. Ashok Kumar Ramanathan 2. Alok Kumar Sinha 3. Srinivasa Raghavan Venkatavardhan

B. Extraordinary General Meeting & Postal Ballot

No Extraordinary General meeting or postal ballot was conducted during the financial year ended March 31, 2019.

7. DISCLOSURES:

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

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

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

iv. The Board of Directors of the Company have adopted the Code of Practices and Procedures for Fair Disclosure of Price-Sensitive Information in concurrence with the requirement under SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019; and Revised Code of Conduct for Prevention of Insider Trading. The aforesaid code is available at http://www.xchanging.com/investor-relations/xsl-content.

v. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets, during last three years: BSE Limited and National Stock Exchange of India Limited has levied fine of Rs. 5,000/- each for 1 day delay in filing of the financial results for the quarter ended September 30, 2018. Company has paid said fine. Response from Board and management is given in Boards' Report.

vi. Company has sent three reminders on July 19, 2018; October 31, 2018; and December 1, 2018 as per circular issued by SEBI vide no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 for updation of Shareholder's PAN and Bank details and SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 for transfer of securities only in dematerialized mode.

vii. The Company has received few routine explanations/letters from the stock exchanges and replied accordingly with in prescribed time.

viii. In accordance with the requirement of Section 177 of the Act and the Rules made there under and Regulation 22 of the Listing Regulations, the Company has formulated a 'Vigil Mechanism/Whistle Blower Policy'. No employee personnel have been denied access to the Audit Committee.

ix. The Company has not raised funds through preferential allotment or qualified institutions placement during the last year.

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

xi. Company has taken certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The same certificate is provided in Director's report forming part of Annual Report.

xii. There are no pecuniary relationships or transactions between Non-Executive Directors and the Company. The Independent Directors are not paid any remuneration other than the sitting fee for attending meetings of the Board and the Committees thereof as approved by the Board.

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

xiv. The Board of Directors have approved all recommendations of its committees.

xv. The disclosure of total fees for all services paid by the Company and its subsidiary(ies), on a consolidated basis, to the statutory Auditor, are provided in notes to the Consolidated Financial Statements, forming part of the Annual Report.

xvi. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided in Director's report forming part of Annual Report

xvii. The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations

8. MEANS OF COMMUNICATION:

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

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

9. GENERAL SHAREHOLDER INFORMATION:

1. Annual General Meeting

Date and Time	:	Tuesday, August 13, 2019 and 10:00 AM
Venue	:	Kalyani Tech Park. - Survey No 1, 6 & 24, Kundanhalli Village, K R Puram Hobli, Bangalore - 560 066

2. Financial Calendar

The financial calendar of the Company is reproduced below:

Annual General Meeting	August 13, 2019
Results for quarter ending June 30, 2019	August 2019
Results for quarter ending September 30, 2019	November 2019
Results for year ending December 31, 2019	February 2020
Results for year ending March 31, 2020	May 2020

3. **Book closure** : August 7, 2019 to August 13, 2019
4. **Cut-off Date** : August 6, 2019
5. **Dividend payment date:** : Nil
6. **Listing on the Stock Exchanges**

Equity Shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited. Annual Listing fee for the year 2019-20, has been paid to the above Stock Exchanges.

The annual custodial fee of CDSL for the year 2019-20 will be paid within prescribed time and invoice from NSDL is yet to be received.

Scrip Code:

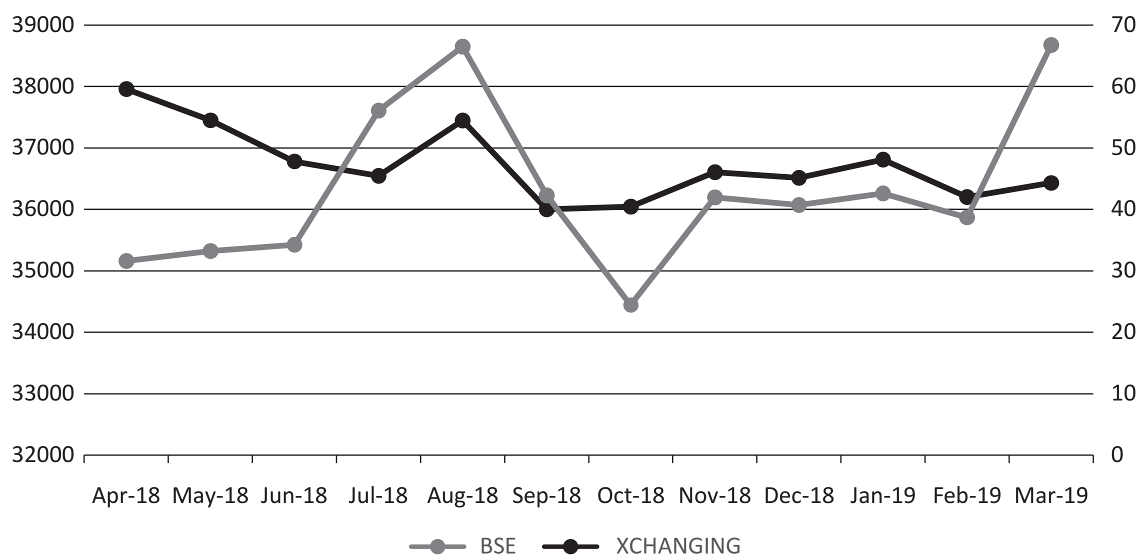
NSE : XCHANGING

BSE : 532616

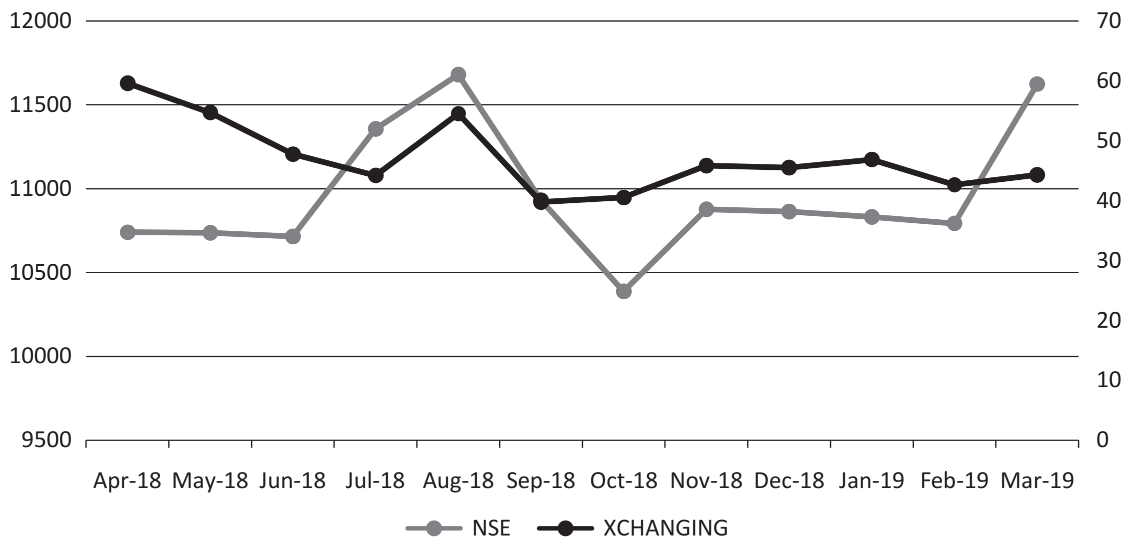
7. **Market Price Data**

Month & Year		Share price of Xchanging Solutions Limited (NSE)			Share price of Xchanging Solutions Limited (BSE)		
		High (Rs.)	Low (Rs.)	Close (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)
April	2018	62.35	57.10	59.60	62.50	57.55	59.60
May	2018	59.90	52.50	54.70	59.95	53.65	54.50
June	2018	56.80	45.05	47.75	54.20	46.35	47.80
July	2018	51.95	42.15	44.20	49.00	43.10	45.45
August	2018	64.90	44.20	54.50	65.00	44.00	54.45
September	2018	55.80	38.05	39.75	55.95	38.20	40.00
October	2018	42.20	34.10	40.50	41.80	33.60	40.45
November	2018	53.20	38.30	45.85	53.00	38.10	46.05
December	2018	47.90	42.30	45.50	46.65	42.15	45.15
January	2019	49.80	38.60	46.85	49.80	39.00	48.10
February	2019	48.00	40.00	42.65	48.80	40.20	42.00
March	2019	46.95	40.10	44.30	47.00	40.75	44.30

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



9. **Performance of Share Price in Comparison to NSE NIFTY**



10. **Registrars and Transfer Agent:**

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

11. **Share Transfer System:**

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

12. **Shareholding Pattern**

a. **Categories of Shareholding as on March 31, 2019**

Category	**No. of Shares held**	**% of shareholding**
Promoters	101,152,248	90.80
Banks, FIs, Insurance Companies, Mutual Funds	404,412	0.36
FIIs	-	-
Corporate Bodies	983,202	0.88
Indian Public	5,427,745	4.87
NRIs/OCBs/Foreign National/Clearing member	76,976	0.07
Others	3,359,133	3.02
Grand Total	**111,403,716**	**100.00**

b. **Distribution of Shareholding as on March 31, 2019**

S. No.	No. of shares	No. of share holders	% of total shareholders	No. of shares	% to equity
1	1 - 5000	14710	99.00	3378766	3.03
2	5001 - 10000	70	0.47	525167	0.47
3	10001 - 20000	43	0.29	596985	0.54
4	20001 - 30000	8	0.05	193958	0.17
5	30001 - 40000	4	0.03	139992	0.13
6	40001 - 50000	6	0.04	276055	0.25
7	50001 - 100000	8	0.05	586757	0.53
8	100001 and above	10	0.07	105706036	94.89
	TOTAL:	**14859**	**100.00**	**111403716**	**100.00**

13. **Dematerialisation of shares and liquidity**

The Company's shares are compulsorily traded in the dematerialized form. The Company has arrangements with both National Securities Depository Limited ('NSDL') and Central Depository Services Limited ('CDSL') for demat facility. As on March 31, 2019, 111,302,506 shares representing 99.91% of the Company's total shares were held in dematerialized form and the balance 101,210 shares representing 0.09% of the Company's total shares were in the physical form. The Company's shares are regularly traded on the National Stock Exchange of India Limited and BSE Limited.

ISIN: INE 692G01013

14. **Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

There are no outstanding GDRs/ADRs/Warrants.

15. **Plant locations:**

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

16. **Address for correspondence:**

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

Registered Office	Registrar and Transfer Agents
Xchanging Solutions Limited SJR I-Park, Plot No. 13, 14, 15. EPIP Industrial Area, Phase I Whitefield, Bangalore 560 066 India. Phone +91 80 4364 0000 Email:compliance@xchanging.com	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31 - 32 Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Phone 040-67162222 Fax 040-23001153 Email: einward.ris@karvy.com Website: www.karvy.com

17. **No. of shares traded during the Financial year ended March 31, 2019:**

BSE: 994987 Shares

NSE: 3833019 Shares

18. **Credit Ratings:**- Company is not required to take credit rating.

19. **Compliance certificate by the practicing company secretary:**

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

COMPLIANCE CERTIFICATE

To
The Board of Directors
Xchanging Solutions Limited
Bangalore

We, Chandrasekhara Rao Boddoju, Managing Director & Chief Executive Officer and Shrenik Kumar Champalal, Whole Time Director & Chief Financial Officer hereby certify to the Board that;

a. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2019 and that to the best of our knowledge and belief:
   (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's code of conduct.
c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
d. We have indicated to the auditors and the Audit Committee:
   (i) There are no significant changes in the internal control over financial reporting during the financial year ended March 31, 2019
   (ii) There are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (iii) There have been no instances of significant fraud of which we have become aware and involvement therein of the management or an employee having a significant role in the company's internal control over financial reporting.
e. We further declare that all Board Member and senior personnel have affirmed compliance with the code for the current year.

Chandrasekhara Rao Boddoju,
Managing Director & Chief Executive Officer

Shrenik Kumar Champalal
Whole Time Director & Chief Financial Officer

Place : Bangalore
Date : May 23, 2019

CERTIFICATE ON CORPORATE GOVERNANCE REPORT

To,
The Members
Xchanging Solutions Limited
Bangalore

I have examined the compliance of conditions of corporate governance by Xchanging Solutions Limited ("the Company") for the Financial period ended on March 31, 2019, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with all the conditions of corporate governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 to the extent applicable except that the financial results for the quarter and six months ended September 30, 2018 were submitted by the Company with Stock Exchanges beyond the stipulated time, i.e. with a delay of one day on November 15, 2018, for which both BSE Limited and National Stock Exchange of India Limited have imposed fine on the Company as per the SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018 and the fine has been paid by the Company.

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

Ankush Agarwal & Associates
Company Secretaries

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

Date : May 20, 2019
Place : Noida

TO THE MEMBERS OF XCHANGING SOLUTIONS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Xchanging Solutions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows 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 standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements 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 Responsibility for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Assessment of impairment on investment in subsidiary** As described in Note 6 of the Standalone Financial statements, the carrying amount of investment in subsidiary recorded is Rs. 11,224 lakhs. The Company recognized impairment loss of Rs. 6,045 lakhs as at March 31, 2019. The Company identifies whether an impairment indication occurs every year and performs impairment test over investment in subsidiary and compares the carrying amount with the greater of the calculated value-in-use and fair value used to determine whether it is impaired. In estimating the value-in-use, management's judgment is involved in determining the key assumptions such as sales growth rate, discount rate and terminal growth rate that have a significant impact on the estimated value-in-use. Considering significant degree of judgment in estimating value-in-use and likelihood of management bias, we identified assessment of impairment on investment in subsidiary as a key audit matter.	**Principal Audit Procedures** • gaining an understanding of and assessing the impairment testing process implemented by Management. • verifying the appropriateness of the model used to calculate value in use as per discounted cash flow method. • analysing the consistency of cash flow forecasts with Management's latest estimates presented to the Board of Directors as part of the budget process. • comparing the cash flow forecasts for financial years 2020 to 2024 with the business plans used for prior year impairment testing. • assessing the methods used to calculate the discount rate applied to the estimated cash flows expected, as well as the terminal growth rate used to project the latest prior year expected cash flows to infinity; comparing these rates with market data and external sources and recalculating the rates based on our own data sources. • assessing sensitivity testing of value in use to a change in the main assumptions used by Management. Our firm's valuation specialists were involved in this work.
2.	**Evaluation of uncertain tax positions** The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible	• Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the

Sr. No.	Key Audit Matter	Auditor's Response
	outcome of these disputes. Refer Notes 3.1 (ii) and 21 to the Standalone financial statements.	tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Boards' Report including Annexures to Board's Report, Management Discussion and Analysis Report and Corporate Governance Report including annexures thereon but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 standalone 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, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
      ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Bhavani Balasubramanian
(Partner)
(Membership No. 22156)

Bengaluru, May 23, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Xchanging Solutions Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Bhavani Balasubramanian
(Partner)
(Membership No. 22156)

Bengaluru, May 23, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

(i) In respect of property, plant and equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a program of verification of property, plant and equipment to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No physical verification was carried during the year.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause 3 (i) (c) of the Order is not applicable.

(ii) The Company does not have any inventory and hence reporting under clause 3 (ii) of the Order is not applicable.

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

(iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause 3 (iv) of the Order is not applicable.

(v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under Section 148 (1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3 (vi) of the Order is not applicable.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Nature of Statute	Nature of dues	Forum where dispute is pending	Period to which amount relates	Amount (Rs. In lakhs)
Income tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	Financial year 2009-10	6
			Financial year 2012-13	46(*)
			Financial year 2013-14	1,434(**)

(*) Net of Rs. 39 lakhs paid under protest
(**) Net of Rs. 123 lakhs paid under protest

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

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.

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

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

(xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

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

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable.

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

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration. No 117366W/W-100018)

Bhavani Balasubramanian
(Partner)
(Membership No. 22156)

Bengaluru, May 23, 2019

XCHANGING SOLUTIONS LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

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

	Note	As at Mar 31, 2019	As at Mar 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	24	34
Other intangible assets	5	5	4
Financial assets			
Investments	6	5,186	5,186
Loans	7	1,618	1,868
Other financial assets	8	-	17
Deferred tax assets (net)	9	873	915
Other non-current assets	10	1,658	1,516
Total non-current assets		**9,364**	**9,540**
Current assets			
Financial assets			
Investments	6	-	12,151
Trade receivables	11	890	1,203
Cash and cash equivalents	12	14,297	456
Bank balances other than above	13	135	142
Loans	7	250	-
Other financial assets	8	424	655
Other current assets	10	255	197
Total current assets		**16,251**	**14,804**
Total assets		**25,615**	**24,344**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	11,140	11,140
Other equity	15	9,299	7,627
Total equity		**20,439**	**18,767**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	-	3
Provisions	17	303	340
Other non-current liabilities	18	-	1
Total non-current liabilities		**303**	**344**

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

	Note	As at Mar 31, 2019	As at Mar 31, 2018
Current liabilities			
Financial liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	19	1	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	19	832	1,428
Other financial liabilities	20	10	9
Provisions	17	77	86
Current tax liabilities (net)	21	3,647	3,431
Other current liabilities	22	306	279
Total current liabilities		**4,873**	**5,233**
Total liabilities		**5,176**	**5,577**
Total equity and liabilities		**25,615**	**24,344**

See accompanying notes to the financial statements

In terms of our report attached.

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

Bhavani Balasubramanian
Partner

Place: Bengaluru
Date: May 23, 2019

For and on behalf of the Board of Directors

Chandrasekhara Rao Boddoju
Managing Director and
Chief Executive Officer
DIN : 08185777

Place: Bengaluru
Date: May 23, 2019

Shrenik Kumar Champalal
Whole Time Director and
Chief Financial Officer
DIN : 08099410

Place: Bengaluru
Date: May 23, 2019

Mayank Jain
Company Secretary

Place: Bengaluru
Date: May 23, 2019

XCHANGING SOLUTIONS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

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

	Note	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
Revenue from operations	23	5,203	5,593
Other income	24	1,202	1,048
Total Income		6,405	6,641
Expenses			
Employee benefits expense	25	2,584	3,340
Finance costs	26	1	4
Depreciation and amortisation expense	27	37	102
Other expenses	28	1,352	1,899
Total expenses		3,974	5,345
Profit before tax		2,431	1,296
Tax expense/(benefit)			
Current tax	29	737	715
Current tax- for the earlier years		15	(27)
Deferred tax	29	32	47
Total tax expense		784	735
Profit for the period		**1,647**	**561**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		35	45
(ii) Income tax relating to items that will not be reclassified to profit or loss		(10)	(16)
Total other comprehensive income		25	29
Total Comprehensive Income for the period		**1,672**	**590**
Earnings per Equity Share (of Rs.10 each)	31		
Basic- In Rs.		1.48	0.50
Diluted- In Rs.		1.48	0.50

See accompanying notes to the financial statements

In terms of our report attached.

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

Bhavani Balasubramanian
Partner

Place: Bengaluru
Date: May 23, 2019

For and on behalf of the Board of Directors

Chandrasekhara Rao Boddoju
Managing Director and
Chief Executive Officer
DIN: 08185777

Place: Bengaluru
Date: May 23, 2019

Shrenik Kumar Champalal
Whole Time Director and
Chief Financial Officer
DIN : 08099410

Place: Bengaluru
Date: May 23, 2019

Mayank Jain
Company Secretary

Place: Bengaluru
Date: May 23, 2019

XCHANGING SOLUTIONS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

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

a EQUITY SHARE CAPITAL

Balance at April 1, 2017	**11,140**
Changes in equity share capital during the year	-
Balance at March 31, 2018	**11,140**
Changes in equity share capital during the year	-
Balance at March 31, 2019	**11,140**

b OTHER EQUITY

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

Particulars	Reserves & Surplus			Total other equity
	Capital reserve	Security premium	Retained earnings	
Balance as of April 1, 2018	**57**	**8,417**	**(847)**	**7,627**
Profit for the year	-	-	1,647	1,647
Other comprehensive income for the year, net of tax	-	-	25	25
Balance as of March 31, 2019	**57**	**8,417**	**825**	**9,299**

See accompanying notes to the financial statements

In terms of our report attached.

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

Bhavani Balasubramanian
Partner

Place: Bengaluru
Date: May 23, 2019

For and on behalf of the Board of Directors

Chandrasekhara Rao Boddoju
Managing Director and
Chief Executive Officer
DIN : 08185777

Place: Bengaluru
Date: May 23, 2019

Shrenik Kumar Champalal
Whole Time Director and
Chief Financial Officer
DIN : 08099410

Place: Bengaluru
Date: May 23, 2019

Mayank Jain
Company Secretary

Place: Bengaluru
Date: May 23, 2019

XCHANGING SOLUTIONS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

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

	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,431	1,296
Adjustments for:		
Depreciation and amortisation expense	37	102
Profit on sale of property, plant and equipment	(8)	(2)
Foreign exchange loss - unrealised	(56)	41
Interest income	(292)	(238)
Dividend income	(542)	(485)
Provision for doubtful advances	78	239
Provision for doubtful debts	48	91
Liabilities no longer required written back	(28)	(52)
Other provisions no longer required written back	(284)	(247)
Interest expense	1	4
Other non cash adjustments	25	29
Operating profit before working capital changes	1,410	778
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	304	613
Other current assets	(58)	(91)
Loans & other financial assets and other assets	21	544
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(578)	(220)
Other financial liabilities and other liabilities	338	(71)
Provisions	(46)	10
Cash generated from operations	1,391	1,563
Taxes paid (net of refunds)	(526)	(140)
Net cash generated from operating activities (A)	**865**	**1,423**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(22)	(10)
Proceeds from sale of property, plant and equipment	8	74
Dividend income	542	485
Long term deposits with banks with maturity period more than 3 months but less than 12 months	7	(130)
Long term deposits with banks with maturity period more than 12 months	16	109
Interest received	283	370
Net cash generated from investing activities (B)	**834**	**898**

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

	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment from long-term borrowings	(8)	(70)
Interest paid	(1)	(4)
Net cash used in financing activities (C)	**(9)**	**(74)**
Net increase in cash and cash equivalents (A + B + C)	**1,690**	**2,247**
Cash and cash equivalents at the beginning of the year	12,607	10,360
Cash and cash equivalents at the end of the year	**14,297**	**12,607**
Cash on hand	-	-
Balances with banks:		
In current accounts	337	337
Demand deposits (less than 3 months maturity)	13,941	119
Effect of exchange differences on balances with banks in foreign currency	19	-
Net cash and cash equivalents included in note 12	14,297	456
Current investments considered as cash equivalents	-	12,151
Cash and cash equivalents	**14,297**	**12,607**

Notes:

(1) Figures in brackets indicate cash outflow.

See accompanying notes forming part of the financial statements

In terms of our report attached.

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

Bhavani Balasubramanian
Partner

Place: Bengaluru
Date: May 23, 2019

For and on behalf of the Board of Directors

Chandrasekhara Rao Boddoju
Managing Director and
Chief Executive Officer
DIN : 08185777

Place: Bengaluru
Date: May 23, 2019

Shrenik Kumar Champalal
Whole Time Director and
Chief Financial Officer
DIN : 08099410

Place: Bengaluru
Date: May 23, 2019

Mayank Jain
Company Secretary

Place: Bengaluru
Date: May 23, 2019

XCHANGING SOLUTIONS LIMITED

Notes forming part of the financial statements

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

1. General Information

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

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

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

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

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

Name of the shareholder	As at Mar 31, 2019	As at Mar 31, 2018
Xchanging (Mauritius) Limited	52.07%	52.07%
Xchanging Technology Services India Private Limited, India*	34.96%	22.93%
DXC Technology India Private Limited (previously known as CSC Technologies India Private Limited)**	3.77%	3.77%
Scandent Holding Mauritius Limited***	-	10.21%
Katra Finance Limited	2.70%	2.70%
Others	6.50%	8.32%
	100.00%	**100.00%**

* Xchanging Technology Services India Private Limited acquired 12.03% of shares on June 11, 2018 through Manadatory open offer.

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

*** Edelweiss Securities Limited holds shares as Registered Owner from December 29, 2016 onwards as collateral on behalf of Scandent Holding Mauritius Limited. Further, all shares have been sold on June 11, 2018 through Manadatory Open offer.

2. Significant Accounting Policies

2.1 Basis of preparation and presentation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below.

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

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

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

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

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

The principal accounting policies are set out below:

2.2 Revenue recognition

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

Revenue is recognised net of Goods and Services Tax (GST) to the extent that it is probable that economic benefit will flow to the Company and that revenue can be reliably measured. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Arrangements with customers for software related services are either on a fixed-price or on a time-and-material basis.

(i) Revenue on time-and-material contracts are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.

(ii) In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

(iii) Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

(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 Contracts (AMC). 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

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

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. AMC 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.

2.3 Other Income

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

2.4 Leases

As a lessee:

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

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

2.5 Foreign currencies

(i) Functional and presentation currency

The functional currency of the Company is the Indian rupee.

(ii) Initial recognition:

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

(iii) Subsequent recognition:

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

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

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

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

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

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

2.6 Employee benefits

2.6.1 Retirement benefit costs and termination benefits

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

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

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest. is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

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

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

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

2.6.2 Short-term and other long-term employee benefits

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

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

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

2.7 Taxation

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

2.7.1 Current tax

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

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

2.7.2 Deferred tax

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

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

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

2.7.3 Current tax and deferred tax for the year

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

2.8 Property, plant and equipment and depreciation

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

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

Category of assets	Estimated useful life
Servers (Computers)	3
Vehicles	2 to 6
Furniture and fixtures	5

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

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

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

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

2.9 Intangible Assets and Amortisation

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

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

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

2.10 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

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

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

2.11 *Provisions and contingent liabilities*

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

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

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

2.12 *Financial instruments*

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

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

2.13 *Financial assets*

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

2.13.1 <u>Classification of financial assets</u>

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

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

For the impairment policy on financial assets measured at amortised cost, refer Note 2.13.3.

Financial assets that meet the following conditions are subsequently measured at Fair Value Through Other Comprehensive Income (“FVTOCI”) (except for financial assets that are designated as at fair value through profit or loss on initial recognition):

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

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

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

For the impairment policy on financial assets at FVTOCI, refer Note 2.13.3

All other financial assets are subsequently measured at fair value.

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

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

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

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

2.13.3 Impairment of financial assets

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

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

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

Allowance for Trade receivables

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

2.13.4 Derecognition of financial assets

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

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

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

2.13.5 Foreign exchange gains and losses

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

2.13.6 Investment in subsidiaries

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

2.14 Financial liabilities

Classification as debt

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

Financial liabilities

2.14.1 Financial liabilities subsequently measured at amortised cost

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

2.14.2 Foreign exchange gains and losses

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

2.14.3 Derecognition of financial liabilities

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

2.15 Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks through foreign exchange forward contracts. Further details of derivative financial instruments are disclosed in note 33.

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

2.16 Use of estimates

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

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

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

2.18 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.

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

2.19 Investments

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

2.20 Segment Reporting

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

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

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

2.21 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.22 Project work expenses

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

2.23 GST/ Service tax input credit

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

2.24 Operating Cycle

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

2.25 Recent accounting pronouncements

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective- Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective- Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application

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

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Company is in process of evaluating the effect of this on the financial statements and the impact is expected to be insignificant.

Ind As 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, uncertainity over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainity over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the lost likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition- i) full retrospective approach- Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendments to Ind AS 12- Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19- plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period on or after April 1, 2019. The Company does not have any impact on account of this amendment.

3. Critical accounting judgements and key sources of estimation uncertainty

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

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

3.1 Critical judgements in applying accounting policies

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

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

ii) Income taxes- The Company has tax jurisdiction in India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Also refer to note 29.

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

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

	As at Mar 31, 2019	As at Mar 31, 2018
4 PROPERTY, PLANT AND EQUIPMENT		
(Refer note 2.8 and 2.10)		
(Owned unless specified)		
Carrying amounts of:		
Leasehold Improvements	-	-
Computers	15	11
Vehicles	-	4
Office Equipment	9	19
Furniture and Fittings	-	-
	24	**34**

Particulars	Leasehold Improvements	Computers	Vehicles	Office Equipment	Furniture and Fittings	Total
Gross carrying value						
Balance as at April 1, 2017	192	1,096	182	236	238	1,944
Additions	-	-	-	6	-	6
Disposals	(192)	-	(146)	(79)	(228)	(645)
Balance as at March 31, 2018	**-**	**1,096**	**36**	**163**	**10**	**1,305**
Additions	-	20	-	-	-	20
Disposals	-	(104)	(7)	(4)	-	(115)
Balance as at March 31, 2019	**-**	**1,012**	**29**	**159**	**10**	**1,210**
Accumulated depreciation						
Balance as at April 1, 2017	192	1,031	103	201	226	1,753
Depreciation expense	-	54	19	15	3	91
Eliminated on disposals of assets	(192)	-	(90)	(72)	(219)	(573)
Balance as at March 31, 2018	**-**	**1,085**	**32**	**144**	**10**	**1,271**
Depreciation expense	-	16	4	10	-	30
Eliminated on disposals of assets	-	(104)	(7)	(4)	-	(115)
Balance as at March 31, 2019	**-**	**997**	**29**	**150**	**10**	**1,186**
Carrying value as at March 31, 2019	**-**	**15**	**-**	**9**	**-**	**24**
Carrying value as at March 31, 2018	**-**	**11**	**4**	**19**	**-**	**34**

	As at Mar 31, 2019	As at Mar 31, 2018
5 OTHER INTANGIBLE ASSETS		
(Refer note 2.9 and 2.10)		
Carrying amounts of:		
Computer software	5	4
	5	**4**

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

Particulars	Computer software	Total
Gross carrying value		
Balance as at April 1, 2017	841	841
Additions	2	2
Disposals	(312)	(312)
Balance as at March 31, 2018	**531**	**531**
Additions	8	8
Disposals	(477)	(477)
Balance as at March 31, 2019	**62**	**62**
Accumulated amortisation		
Balance as at April 1, 2017	828	828
Amortisation expense	11	11
Disposals	(312)	(312)
Balance as at March 31, 2018	**527**	**527**
Amortisation expense	7	7
Disposals	(477)	(477)
Balance as at March 31, 2019	**57**	**57**
Carrying value as at March 31, 2019	**5**	**5**
Carrying value as at March 31, 2018	**4**	**4**

	As at Mar 31, 2019		As at Mar 31, 2018	
6 INVESTMENTS				
Non-current				
Investments in equity instruments				
Wholly owned Subsidiary Companies:				
(Unquoted, at cost, unless otherwise stated, fully paid up)				
[Refer note 2.10, 2.19, 2.13.6 and 3.1.(i)]				
Xchanging Solutions (Singapore) Pte Limited, Singapore				
2,300,000 (2018: 2,300,000) ordinary shares of Singapore $1 each		7		7
Xchanging Solutions (Europe) Limited, UK				
2,664,278 (2018: 2,664,278) ordinary shares of GBP 1 each [Refer note 40]	2,222		2,222	
(Less): Provision for diminution in value of investment	(2,222)	-	(2,222)	-
Xchanging Solutions (USA) Inc, USA				
9,930,062 (2018: 9,930,062) common stock of US$1 each [Refer note 39]	11,224		11,224	
(Less): Provision for diminution in value of investment	(6,045)	5,179	(6,045)	5,179
		5,186		**5,186**
Aggregate carrying value of unquoted investments		13,453		13,453
Aggregate amount of impairment in value of investments		(8,267)		(8,267)
Current				
(Unquoted)				
[Refer note 2.19 and 3.1. (iii)]				
Investment in mutual funds [Refer note (i) below]		-		12,151
		-		**12,151**
(i) Current investments include investments in the nature of "Cash and cash equivalents" amounting to Rs. Nil (2018: Rs. 12,151) considered as part of Cash and cash equivalents in the Cash Flow Statement.				
Aggregate carrying value of unquoted investments		-		12,151
Category-wise investments as per Ind AS 109 classification				
Financial assets carried at fair value through profit or loss (FVTPL)		-		12,151

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

		As at Mar 31, 2019	As at Mar 31, 2018
7	**LOANS**		
	(Refer note 2.13 and 2.16)		
	Unsecured, considered good unless otherwise stated		
	Non-current		
	Loans and advances:		
	Subsidiaries [Refer note 39]:		
	- Considered doubtful	17,283	17,283
	(Less): Provision for doubtful loans	(17,283)	(17,283)
	Fellow subsidiaries [Refer note 34]	1,618	1,868
		1,618	**1,868**
	Current		
	Loans and advances:		
	Fellow subsidiaries [Refer note 34]	250	-
		250	**-**

Note: As at March 31, 2019, the loans and advances balance of Rs. 17,283 (2018: Rs. 17,283) due from subsidiaries is interest free and repayable on demand. However, management does not have an intention to demand these loans in the next 12 months and hence these have been classified under non-current financial assets. These financial assets are carried at amortised cost.

		As at Mar 31, 2019	As at Mar 31, 2018
8	**OTHER FINANCIAL ASSETS**		
	(Refer note 2.2, 2.13 and 2.16)		
	Unsecured considered good unless otherwise stated		
	Non-current		
	Long term deposits with banks with maturity period more than 12 months	-	16
	Interest accrued on bank deposits	-	1
		-	**17**
	Current		
	Expenses recoverable from fellow subsidiaries [Refer note 34]:	40	4
	Security deposits		
	- Considered good	174	299
	- Considered doubtful	21	-
	(Less): Provision for doubtful advances	(21)	-
	Unbilled revenue	131	200
	Interest accrued on loans to fellow subsidiaries [Refer note 34]	33	17
	Interest accrued on bank deposits	13	19
	Other Loans and advances (includes advances to employees and other receivables)		
	- Considered good	33	116
	- Considered doubtful	35	-
	(Less): Provision for doubtful advances	(35)	-
		424	**655**

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

9 DEFERRED TAX ASSETS (NET)

[Refer note 2.7 and 3.1.(ii)]

Details of deferred tax assets and liabilities as at March 31, 2019 comprise of the following:

Particulars	As at April 1, 2018	(Credit)/ Charged to Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2019
Deferred Tax Assets				
Depreciation	209	22	-	187
Provision for gratuity	104	6	10	88
Provision for compensated absences	20	(2)	-	22
Provision for other employee benefits	64	45	-	19
Provision for doubtful debts	328	(34)	-	362
Provision for doubtful advances	154	(21)	-	175
Others	36	16	-	20
Total (A)	**915**	**32**	**10**	**873**
Deferred Tax Liabilities (B)	**-**	-	-	-
Deferred Tax Assets (Net) (A)-(B)	**915**	**32**	**10**	**873**

As at March 31, 2018

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

	As at Mar 31, 2019	As at Mar 31, 2018
10 OTHER ASSETS		
(Refer note 2.23)		
Unsecured considered good unless otherwise stated		
Non-current		
Prepaid Expenses	13	19
Advances recoverable in kind	1,466	1,385
Balances with Government Authorities (Service tax & GST)		
- Considered good	179	112
- Considered doubtful	548	526
(Less): Provision for doubtful advances	(548)	(526)
	1,658	**1,516**
Current		
Balances with Government Authorities (Service tax)	116	167
Prepaid Expenses	108	30
Other Loans and advances	31	-
	255	**197**

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

		As at Mar 31, 2019	As at Mar 31, 2018
11	**TRADE RECEIVABLES**		
	(Refer note 2.13, 33 and 34)		
	(Unsecured)		
	Considered good	890	1,203
	Considered doubtful	1,243	1,128
	Less: Provision for doubtful trade receivables	(1,243)	(1,128)
		890	**1,203**

Note:
The credit period ranges from 0 to 60 days. No interest is charged on trade receivables up to the due date. Cumulative balance of customers with more than 5% of total trade receivables amounts to Rs. 469 (2018: Rs. 783)

		As at Mar 31, 2019	As at Mar 31, 2018
12	**CASH AND CASH EQUIVALENTS**		
	(Refer note 2.17)		
	Balances with banks		
	In current accounts	356	337
	In demand deposit accounts (less than 3 months maturity)	13,941	119
	Cash on hand	-	-
	Cash and cash equivalent as per statement of cash flow	**14,297**	**456**
13	**OTHER BANK BALANCES**		
	Long Term Deposit with maturity more than 3 months but less than 12 months	135	142
		135	**142**

Fixed Deposits with Banks include:
Rs. 135 (2018: Rs. 132) which are under lien

		As at Mar 31, 2019	As at Mar 31, 2018
14	**EQUITY SHARE CAPITAL**		
	Authorised capital:		
	125,000,000 (2018: 125,000,000) Equity shares of Rs.10 each	12,500	12,500
	Issued, subscribed and paid up capital:		
	111,403,716 (2018: 111,403,716) Equity shares of Rs.10 each fully paid up	11,140	11,140
		11,140	**11,140**

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

Equity Shares	As at March 31, 2019		As at January 1, 2018	
	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	111,403,716	11,140	111,403,716	11,140
Add/(Less): Movement during the year	-	-	-	-
Shares outstanding at the end of the year	**111,403,716**	**11,140**	**111,403,716**	**11,140**

b) Terms/rights attached to equity shares

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

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

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

	As at March 31, 2019	As at March 31, 2018
Number of Shares	**Name of Shareholder**	**Number of Shares**
Xchanging (Mauritius) Limited, the immediate holding company	58,002,787	58,002,787
Xchanging Technology Services India Private Limited, subsidiary of Holding Company*	38,948,299	25,550,000
	96,951,086	**83,552,787**

* Xchanging Technology Services India Private Limited acquired 12.03% shares on June 11, 2018 through Manadatory open offer.

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

	As at March 31, 2019		As at March 31, 2018	
Name of Shareholder	**Number of Shares held**	**Percentage**	**Number of Shares held**	**Percentage**
Xchanging (Mauritius) Limited	58,002,787	52.07	58,002,787	52.07
Xchanging Technology Services India Private Limited	38,948,299	34.96	25,550,000	22.93
Scandent Holding Mauritius Limited**	-	-	11,370,849	10.21

** Edelweiss Securities Limited holds shares as Registered Owner from December 29, 2016 onwards as collateral on behalf of Scandent Holding Mauritius Limited. Further, all shares have been sold on June 11, 2018 through Manadatory Open offer.

		As at Mar 31, 2019	As at Mar 31, 2018
15	**OTHER EQUITY**		
	Capital reserve	57	57
	Security premium	8,417	8,417
	Retained earnings	825	(847)
		9,299	**7,627**
15.1	**Capital reserve**		
	Balance at the beginning of the year	57	57
	Add / (Less): Movement during the year	-	-
	Balance at the end of the year	57	57
	Capital reserve represents waiver of liability by Scandent Holding Mauritius Limited, erstwhile ultimate holding company.		
15.2	**Security premium**		
	Balance at the beginning of the year	8,417	8,417
	Add /(Less): Movement during the year	-	-
	Balance at the end of the year	8,417	8,417
	Amounts received (on issue of shares) in excess of the par value has been classified as securities premium.		
15.3	**Retained earnings**		
	Balance at the beginning of the year	(847)	(1,437)
	Profit for the year	1,647	561
	Other comprehensive income arising from remeasurement of defined benefit obligation net of tax	25	29
	Balance at the end of the year	825	(847)

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

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

		As at Mar 31, 2019	As at Mar 31, 2018
16	**NON-CURRENT BORROWINGS**		
	(Refer note 2.14)		
	Secured- at amortised cost		
	From Bank:		
	Loan for purchase of vehicles [Refer note 20]	-	3
		-	**3**

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

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

b) **Terms of Repayment:** Monthly payment of equated monthly instalments for a period of 3-5 years (2018: 3-6 years)

c) **Interest rate:** 9.7% to 10.5% per annum (2018: 9.7% to 10.5% per annum)

		As at Mar 31, 2019	As at Mar 31, 2018
17	**PROVISIONS**		
	(Refer note 2.6)		
	Non-current		
	Provision for employee benefits:		
	Provision for compensated absences	61	55
	Provision for gratuity [Refer note 32]	242	285
		303	**340**
	Current		
	Provision for employee benefits:		
	Provision for compensated absences	17	14
	Provision for gratuity [Refer note 32]	60	72
		77	**86**
18	**OTHER NON-CURRENT LIABILITIES**		
	Asset retirement obligation	-	1
		-	**1**
19	**TRADE PAYABLES**		
	(Refer note 2.14)		
	Total outstanding dues of micro enterprises and small enterprises (Refer Note (ii))	1	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises		
	Due to:		
	Subsidiaries [Refer note 34]	101	92
	Related parties [Refer note 34]	214	425
	Others:		
	Goods & services	400	617
	Employee related payables	117	294
		832	1,428
		833	**1,428**

Notes:

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

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

	Mar 31, 2019	Mar 31, 2018
(a) Principal amount remaining unpaid	1	-
(b) Interest due thereon remaining unpaid	-	-

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

(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	-	-

20 OTHER FINANCIAL LIABILITIES

(Refer note 2.5 and 2.14)

Current maturities of long-term borrowings [Refer note 16]	3	8
Payable on purchase of property, plant and equipment	7	1
	10	**9**

21 CURRENT TAX ASSETS AND LIABILITIES

[Refer note 2.7 and 3.1.(ii)]

Current tax assets		
Tax refund receivable	3,599	3,063
	3,599	3,063
Current tax liabilities		
Income tax payable	7,246	6,494
	7,246	6,494
	3,647	**3,431**

22 OTHER CURRENT LIABILITIES

(Refer note 2.2 and 2.5)

Income received in advance (Unearned revenue)		
- Fellow subsidiaries [Refer note 34]	49	-
- Others	202	202
Statutory remittances (Contributions to PF, ESIC, Withholding Taxes, GST etc.)	47	74
Advances from customers	8	3
	306	**279**

	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
23 REVENUE FROM OPERATIONS		
(Refer note 2.2, 30 and 34)		
Software services	5,203	5,593
	5,203	**5,593**

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 by contract type. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

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

Revenues by contract type	**For the year ended Mar 31, 2019**
T&M and AMC	4,795
Fixed Price	408
Total	**5,203**

		For the year ended Mar 31, 2019	**For the year ended Mar 31, 2018**
24	**OTHER INCOME**		
	(Refer note 2.3 and 2.5)		
	a) Interest Income		
	Interest income earned on financial assets that are not designated as at fair value through profit or loss (at amortised cost):		
	Interest income		
	Bank deposits	68	14
	Loans to fellow subsidiaries [Refer note 34]	224	224
		292	238
	b) Dividend Income		
	Dividends from current investments	542	485
	All dividends from mutual funds carried at fair value through P&L recognised for both the years relate to investments held during each reporting period.		
	c) Other non-operating income (net of expenses directly attributable to such income)		
	Other provisions no longer required written back	284	247
	Liabilities no longer required written back	28	52
	Others (aggregate of immaterial items)	6	5
		318	304
	d) Other Gains and Losses		
	Profit on sale of property, plant and equipment (net)	8	2
	Profit on redemption of mutual funds	2	3
	Foreign exchange gain (net)	40	16
		50	21
	(a+b+c+d)	**1,202**	**1,048**
25	**EMPLOYEE BENEFITS EXPENSE**		
	(Refer note 2.6 and 32)		
	Salaries and wages including bonus	2,361	3,066
	Contribution to provident and other funds [Refer note 32]	118	152
	Gratuity expenses [Refer note 32]	70	83
	Staff welfare expenses	35	39
		2,584	**3,340**
26	**FINANCE COSTS**		
	Interest expenses on borrowings (not classified as at FVTPL)	1	4
		1	**4**

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

		For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
27	**DEPRECIATION AND AMORTISATION EXPENSE**		
	(Refer note 2.8, 2.9 and 2.16)		
	Depreciation of property, plant and equipment [Refer note 4]	30	91
	Amortisation of intangible assets [Refer note 5]	7	11
		37	**102**
28	**OTHER EXPENSES**		
	(Refer note 2.4, 2.5, 2.11, 2.16 and 2.22)		
	Project work expenses	198	323
	Power and fuel	42	75
	Rent including lease rentals [Refer note 35]	112	159
	Repairs and maintenance:		
	Computer equipments	183	188
	Others	65	83
	Insurance	26	52
	Rates and taxes	11	13
	Communication	173	209
	Travelling and conveyance	117	118
	Business promotion	34	35
	Training and development	-	2
	Net Loss on FV changes in current investments carried at FVTPL	5	-
	Expenditure towards Corporate Social Responsibility (CSR) activities [Refer note 38]	20	21
	Legal and professional	42	84
	Payments to auditors (Refer Note (i) below)	113	117
	Provision for doubtful debts (net)	48	91
	Provision for doubtful advances	78	239
	Directors' sitting fees	29	27
	Miscellaneous expenses	56	63
		1,352	**1,899**
	Note:		
	(i) Payments to the auditors comprise (net of taxes, where applicable):		
	Statutory audit	58	58
	Limited review of quarterly financial results	44	44
	Tax audit	6	11
	Certifications	4	-
	Out-of-pocket expenses	1	4
	Total	113	117
29	**INCOME TAXES**		
	[Refer note 2.7 and 3.1.(ii)]		
	1. Income tax recognised in profit or loss		
	Current tax		
	In respect of current year	737	715
	Deferred tax		
	In respect of current year	32	47
	Total income tax expense/(gain) recognised in the current year	**769**	**762**

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

	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
2. The income tax expense for the year can be reconciled to the accounting profit/(loss) as follows:		
Profit/ (loss) before tax	2,431	1,296
Income tax Expense Calculated at 29.120% (2018: 34.608%)	708	448
Effect of notional income recognised for taxation	226	269
Effect of change in tax rate	-	172
Effect of income that is exempt from taxation	(158)	(169)
Effect of inadmissible expenses	14	10
Effect of admissible deductions	(2)	(4)
Others	(19)	36
Income tax expense recognised in Profit and Loss	**769**	**762**

The income tax rate used for the above reconciliations is current tax 29.120% (2018: 34.608%) and Deferred tax 29.120% (2018: 29.120%), these are the corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law.

30 SEGMENT INFORMATION

(Refer note 2.20)

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

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

	Revenue by location of customers	
	Mar 31, 2019	**Mar 31, 2018**
Europe	1,552	2,053
USA	1,967	1,852
India	1,308	1,286
Rest of the World	376	402
	5,203	**5,593**

Balance of customers with more than 10% of total revenue amounts to Rs. 3,378 (2018: Rs. 3,816)

	Carrying amount of segment assets by location of the assets		Addition to Fixed Assets	
	Mar 31, 2019	**Mar 31, 2018**	**Mar 31, 2019**	**Mar 31, 2018**
Europe	226	613	-	-
USA	6,515	6,292	-	-
India	17,732	16,245	28	8
Rest of the World	269	279	-	-
	24,742	**23,429**	**28**	**8**

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

	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
31 EARNINGS PER SHARE		
(Refer note 2.21)		
Basic earnings per share		
Profit for the year after tax	1,647	561
Nominal value per share (Rs.)	10	10
Weighted average number of equity shares considered for calculating basic earnings per share – (A)	111,403,716	111,403,716
Earnings per share – Basic (Rs.)	**1.48**	**0.50**
Diluted earnings per share		
Weighted average number of equity shares considered for calculating diluted earnings per share – (B)	111,403,716	111,403,716
Earnings per share – Diluted (Rs.)	**1.48**	**0.50**

32 EMPLOYEE BENEFITS EXPENSE

(Refer note 2.6)

(a) Defined Contribution Plans

Provident Fund and Other Funds: During the year, the Company has recognised Rs. 118 (2018: Rs. 152) in the Statement of Profit and Loss relating to provident fund and other funds, which is included in the 'Contribution to provident and other funds'.

(b) Defined Benefit Plan

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

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

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

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

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

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

	As at Mar 31, 2019	As at Mar 31, 2018
(i) Movement in Present Value of the Defined benefit obligation		
Balance at the beginning of the year	357	378
Current Service Cost	47	59
Interest Cost	23	24
Actuarial (Gains) / Losses- Demographic	-	-
Actuarial (Gains) / Losses- Financial	(9)	(16)
Actuarial (Gains) / Losses- Experience	(26)	(29)
Benefits paid	(90)	(59)
Present Value of Defined benefit obligation at the end of the year	**302**	**357**

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

	As at Mar 31, 2019	As at Mar 31, 2018
(ii) Assets and Liabilities recognised in the Balance Sheet		
Present Value of Defined Benefit Obligation	302	357
Amounts recognised as liability	**302**	**357**
Recognised under:		
Non-current provisions (Refer note 17)	242	285
Current provisions (Refer note 17)	60	72
	302	**357**

	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
(iii) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.		
Current Service Cost	47	59
Interest Cost	23	24
Components of defined benefit costs recognised in profit or loss	**70**	**83**
Remeasurement on the net defined benefit liability:		
Actuarial (Gain) / Loss due to Demographic Assumption changes	-	-
Actuarial (Gain) / Loss due to Financial Assumption changes	(9)	(16)
Actuarial (Gain) / Loss due to Experience	(26)	(29)
Components of defined benefit costs recognised in other comprehensive income	**(35)**	**(45)**
Total	**35**	**38**

	As at Mar 31, 2019	As at Mar 31, 2018
(iv) Actuarial Assumptions		
Discount Rate	6.95%	7.20%
Attrition Rate	20%	20%
Increase in Compensation Cost	6.75%	7.75%
Retirement Age	60	60

Particulars	**Mar 31, 2019**	**Mar 31, 2018**
(v) Expected Future Cashflows		
Year 1	60	72
Year 2	53	61
Year 3	46	54
Year 4	46	47
Year 5	36	46

Notes:

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

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

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

(vi) Sensitivity analysis

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

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

As at March 31, 2019

Defined Benefit Obligation	Discount rate	Rate of Increase in Compensation Cost
Impact of decrease	6	(6)
Impact of increase	(5)	6

As at March 31, 2018

Defined Benefit Obligation	Discount rate	Rate of Increase in Compensation Cost
Impact of decrease	8	(7)
Impact of increase	(7)	8

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

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

33 Financial instruments

33.1 Capital management

The Company manages its capital to ensure that 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 consists of net debt (borrowings as detailed in notes 16 and 20) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

33.1.1 Debt equity ratio

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

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Debt (i)	3	11
Net debt	**3**	**11**
Total equity	**20,439**	**18,767**
Net debt to equity ratio	0.00	0.00

(i) Debt is defined as long-term and current maturities (excluding derivative, financial guarantee contracts and contingent consideration), as described in notes 16 and 20.

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

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

33.2 Categories of financial instruments

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
Investment in mutual funds	-	12,151
Measured at amortised cost		
(a) Cash and bank balances	14,297	456
(b) Bank balances other than above	135	142
(c) Other financial assets at amortised cost	3,182	3,743
Financial liabilities		
Measured at amortised cost		
Other financial liability at amortised cost	843	1,440

33.3 Financial risk management

The Company is exposed to foreign currency risk, liquidity risk, credit risk and interest risk which may impact the fair value of its financial instruments. The Company has a risk management policy to manage & mitigate these risks.

The Company's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement.

33.4 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note 33.5).

33.5 Foreign currency risk management

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

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

Particulars	Liabilities as at		Assets as at	
	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
GBP	135	364	126	118
USD	68	41	1,936	1,973
Others*	32	28	11	198
Total	**235**	**433**	**2,073**	**2,289**

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

33.5.1 Foreign currency sensitivity analysis

The Company is mainly exposed to the USD and GBP.

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

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

Particulars	Impact on profit or loss for the year		Impact on total equity as at the end of the reporting period	
	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
GBP sensitivity				
Increase by 10%	(1)	(25)	(1)	(25)
Decrease by 10%	1	25	1	25
USD sensitivity				
Increase by 10%	187	193	187	193
Decrease by 10%	(187)	(193)	(187)	(193)
Others sensitivity*				
Increase by 10%	(2)	17	(2)	17
Decrease by 10%	2	(17)	2	(17)

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

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

33.6 Interest rate risk management

The Company is exposed to interest rate risk because the Company lend/ borrow funds at fixed interest rates. There is no exposure to market rate fluctuations.

The Companies exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

33.7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivables.

The Company does not have significant credit risk exposure to any single counterparty.

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

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

Provision for expected credit losses

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

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

Particulars		Category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
March 31, 2019 (a) Expected credit loss for loans and other financial assets at amortised cost							
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	Loans at amortised cost	1,868	0%	-	1,868
		High quality assets, negligible credit risk	Other financial assets at amortised cost	86	0%	-	86
		Standard assets, moderate credit risk	Other financial assets at amortised cost	394	14%	56	338
Loss allowance measured at life-time expected credit losses	Financial assets where there is a high probability of default	Low quality assets, very high credit risk	Loans at amortised cost	17,283	100%	17,283	-

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

Ageing	0-30 Days	31-60 Days	61-90 Days	91-180 Days	180+ Days	Total outstanding
Gross carrying amount	293	312	42	148	1,338	2,133
Expected loss rate	0%	0%	0%	0%	93%	58%
Expected credit losses (Loss allowance provision)	-	-	-	-	1,243	1,243
Carrying amount of trade receivables (net of impairment)	**293**	**312**	**42**	**148**	**95**	**890**

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

Particulars		Category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
March 31, 2018 (a) Expected credit loss for loans and other financial assets at amortised cost							
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	Loans at amortised cost	1,868	0%	-	1,868
		High quality assets, negligible credit risk	Other financial assets at amortised cost	57	0%	-	57
		Low quality assets, very high credit risk	Other financial assets at amortised cost	615	0%	-	615
Loss allowance measured at life-time expected credit losses	Financial assets where there is a high probability of default	Low quality assets, very high credit risk	Loans at amortised cost	17,283	100%	17,283	-

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

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

33.8 Liquidity risk management

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

33.8.1 Liquidity and interest risk tables

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

Particulars	Average effective interest rate(%)	Less than 1 year	1-2 years	2 years & above	Total carrying value
March 31, 2019					
Non-interest bearing	-	840	-	-	840
Fixed interest rate instruments	10.0%	3	-	-	3
		843	-	-	843
March 31, 2018					
Non-interest bearing	-	1,429	-	-	1,429
Fixed interest rate instruments	10.0%	8	3	-	11
		1,437	3	-	1,440

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

33. Financial Instruments by category (Contd.)

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.

March 31, 2019

There are no financial assets and liabilities measured at fair value

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

March 31, 2018

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

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

There are no financial liabilities measured at fair value

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

Valuation Methodologies

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

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.

34 Related Party Disclosures

A. Names of related parties and nature of relationship:

1) Parties where control exists:

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

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

(ii) Subsidiary companies	Xchanging Solutions (Europe) Limited, UK ('XSEL, UK') Xchanging Solutions (Singapore) Pte Limited, Singapore ('XSSPL, Singapore') Xchanging Solutions (USA) Inc, USA ('XSUI, USA') Xchanging Solutions (Malaysia) Sdn Bhd, Malaysia ('XSMSB, Malaysia') (Wholly owned subsidiary of Xchanging Solutions (Singapore) Pte Limited) Nexplicit Infotech India Private Limited, India ('NIIPL, India') (Wholly owned subsidiary of Xchanging Solutions (USA) Inc)
(iii) Key Managerial Personnel (KMP)	
Executive Director & Chief Executive Officer	Srikrishna Madhavan (from November 11, 2016 to October 13, 2017)
Executive Director & Chief Executive Officer	Ramaswamy Sankaranarayanan Kavalapara (from October 14, 2017 to March 30, 2018)
Executive Director, Chief Executive Officer & Chief Financial Officer	Shrenik Kumar Champalal as Executive Director (from March 31, 2018) Shrenik Kumar Champalal as Interim Chief Executive Officer (from March 31, 2018 to August 8, 2018) Shrenik Kumar Champalal as Chief Financial Officer (from February 13, 2019)
Executive Director & Chief Executive Officer	Chandrasekhara Boddoju Rao (from August 9, 2018)
Chief Financial Officer	Suresh Akella (from May 29, 2017 to November 15, 2018)
Company Secretary	Mayank Jain (from February 26, 2016)

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

Fellow subsidiaries	Xchanging Builders (India) Private Limited, India ('XBPL, India') Xchanging Systems and Service Inc., USA ('XSSI, USA') Xchanging Global Insurance Solutions Ltd., UK ('XGISL, UK') Xchanging Technology Services India Private Limited, India ('XTSIPL, India') Xchanging UK Limited, UK ('XUKL, UK') Xchanging Asia Pacific Sdn Bhd, Malaysia ('XAPSB, Malaysia') Xchanging (SEA) Pte Ltd, Singapore ('XSPL, Singapore') DXC Technology India Private Limited, India (previously known as CSC Technologies India Private Limited) ('DXC, India') CSC Deutschland GmbH, Germany ('CSC, Germany') CSC Switzerland GmbH, Switzerland ('CSC, Switzerland') EIT Services India Private Limited, India ('EIT, India') (effective from current financial year) ESIT Canada Enterprise Services Co, Canada ('ESIT, Canada') (effective from current financial year) CSC Consulting Inc., USA ('CSC Consulting, USA') (effective from current financial year) Enterprise Services LLC, USA ('Enterprise, USA') (effective from current financial year) CSC Corp - FSG US, USA ('CSC Corp, USA') (effective from current financial year) MSS-Americas Outsourcing, USA ('Americas Outsourcing, USA') (effective from current financial year) Xchanging Pty Limited, Australia ('Xchanging, Australia') (effective from current financial year)

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

B.

Summary of transactions with related parties is as follows:	Holding companies		Subsidiary companies		Fellow subsidiaries		Total	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Expenses paid on behalf of the Company:								
XSEL, UK	-	-	-	12	-	-	-	12
XSSPL, Singapore	-	-	16	-	-	-	16	-
XSUI, USA	-	-	-	3	-	-	-	3
XUKL, UK	-	-	-	-	43	60	43	60
XTSIPL, India	-	-	-	-	25	36	25	36
XGISL, UK	-	-	-	-	-	67	-	67
DXC, India	-	-	-	-	171	191	171	191
CSC, Germany	-	-	-	-	-	20	-	20
CSC, Switzerland	-	-	-	-	-	99	-	99
EIT, India	-	-	-	-	46	-	46	-
Total	**-**	**-**	**16**	**15**	**285**	**473**	**301**	**488**
Expenses paid on behalf of the related party:								
XTSIPL, India	-	-	-	-	2	31	2	31
Total	**-**	**-**	**-**	**-**	**2**	**31**	**2**	**31**
Interest income on loans:								
XTSIPL, India	-	-	-	-	108	108	108	108
XBPL, India	-	-	-	-	116	116	116	116
Total	**-**	**-**	**-**	**-**	**224**	**224**	**224**	**224**
Revenue:								
XSUI, USA	-	-	1,660	1,555	-	-	1,660	1,555
XGISL, UK	-	-	-	-	223	182	223	182
XTSIPL, India	-	-	-	-	-	6	-	6
DXC, India	-	-	-	-	598	618	598	618
ESIT, Canada	-	-	-	-	1	-	1	-
EIT, India	-	-	-	-	40	-	40	-
CSC Consulting, USA	-	-	-	-	56	-	56	-
Enterprise, USA	-	-	-	-	4	-	4	-
CSC Corp, USA	-	-	-	-	13	-	13	-
Americas Outsourcing, USA	-	-	-	-	190	-	190	-
CSC, Germany	-	-	-	-	14	37	14	37
Total	**-**	**-**	**1,660**	**1,555**	**1,139**	**843**	**2,799**	**2,398**
Other Income:								
XTSIPL, India	-	-	-	-	3	3	3	3
Total	**-**	**-**	**-**	**-**	**3**	**3**	**3**	**3**

Note:

(i) Amount below the rounding off norm adopted by the Company i.e. Rs. 1 Lakh are not considered above

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

C.

Summary of balances of related parties is as follows:	Holding companies		Subsidiary companies		Fellow subsidiaries		Total	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Trade Receivables:								
XSUI, USA	-	-	289	149	-	-	289	149
XGISL, UK	-	-	-	-	22	24	22	24
DXC, India	-	-	-	-	40	285	40	285
CSC, Germany	-	-	-	-	-	10	-	10
EIT, India	-	-	-	-	48	-	48	-
CSC Consulting, USA	-	-	-	-	27	-	27	-
Enterprise, USA	-	-	-	-	4	-	4	-
Americas Outsourcing, USA	-	-	-	-	7	-	7	-
Total	**-**	**-**	**289**	**149**	**148**	**319**	**437**	**468**
Trade Payables:								
XSSPL, Singapore	-	-	16	7	-	-	16	7
NIIPL, India	-	-	85	85	-	-	85	85
XUKL, UK	-	-	-	-	39	27	39	27
XGISL, UK	-	-	-	-	97	334	97	334
XTSIPL, India	-	-	-	-	2	24	2	24
XSSI, USA	-	-	-	-	-	4	-	4
DXC, India	-	-	-	-	18	15	18	15
CSC, Germany	-	-	-	-	-	21	-	21
Americas Outsourcing, USA (Unearned revenue)	-	-	-	-	49	-	49	-
Xchanging, Australia	-	-	-	-	8	-	8	-
EIT, India	-	-	-	-	50	-	50	-
Total	**-**	**-**	**101**	**92**	**263**	**425**	**364**	**517**
Expenses Recoverable:								
XTSIPL, India	-	-	-	-	1	-	1	-
XAPSB, Malaysia	-	-	-	-	-	1	-	1
XSPL, Singapore	-	-	-	-	-	3	-	3
DXC, India	-	-	-	-	39	-	39	-
Total	**-**	**-**	**-**	**-**	**40**	**4**	**40**	**4**
Loans and Advances (including interest accrued):								
XTSIPL, India	-	-	-	-	916	908	916	908
XSUI, USA	-	-	17,283	17,283	-	-	17,283	17,283
XBPL, India	-	-	-	-	985	977	985	977
Total	**-**	**-**	**17,283**	**17,283**	**1,901**	**1,885**	**19,184**	**19,168**
Provision for doubtful advances:								
XSUI, USA	-	-	(17,283)	(17,283)	-	-	(17,283)	(17,283)
Total	**-**	**-**	**(17,283)**	**(17,283)**	**-**	**-**	**(17,283)**	**(17,283)**

Note:

(i) Amount below the rounding off norm adopted by the Company i.e. Rs. 1 Lakh are not considered above

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

D. Remuneration paid to the key managerial personnel

Particulars	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
Salaries, bonus, etc.	95	74
Total	**95**	**74**

Note:

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

35 Leases

(Refer note 2.4)

Operating lease

As lessee:

In case of assets taken on lease:

The Company has operating lease arrangements for its office premises, guest houses and certain equipment. The lease arrangements for premises and guest houses have been entered up to a maximum of six years from the respective dates of inception. Rent and hire charges for such operating leases recognised in the Statement of Profit and Loss for the period ended March 31, 2019 amounts to Rs. 112 (2018: Rs. 159).

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

	As at Mar 31, 2019	As at Mar 31, 2018
36 Capital and Other Commitments		
(a) Capital Commitments		
Estimated value of contracts in capital account remaining to be executed (net of advances)	2	11

(b) Other Commitments

(i) The Company has export obligations under the Software Technology Parks of India (STPI) scheme. In accordance with such scheme, the Company procures capital goods without payment of duties, for which, agreements and bonds are executed by the Company in favour of the Government. In case the Company does not fulfil the export obligation, it is liable to pay, on demand an amount equal to such duties saved including interest and liquidated damages. As at March 31, 2019, the Company has availed duty benefits amounting to Rs. Nil (2018: Rs. 84). As at March 31, 2019 there are no assets to be debonded.

(ii) As at March 31, 2019, Xchanging Solutions (USA) Inc, USA, Company's wholly owned subsidiary, has negative net assets amounting to Rs. 18,447 (2018: Rs. 19,225). While the subsidiary is confident of generating funds from their operations, the Company intends to support the shortfall, if any.

	As at Mar 31, 2019	As at Mar 31, 2018
37 Contingent Liabilities		
(Refer note 2.11)		
(i) Claims against the Company not acknowledged as debts:		
Income tax matters [Note (b)]	1,177	758
Service tax matters [Note (c)]	2,359	2,359
	3,536	**3,117**

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

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

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

Notes:

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

(b) Represents various income tax demands under appeal.

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

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

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

38 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Sec 135 of the Companies Act, 2013 applicable in the current year, the Company has spent Rs. 20 (2018: Rs. 21) on various CSR initiatives, during the year, which are mentioned below:

Sector in which the project is covered	NGO Name	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
Promoting education, including special education	The College student & Graduates Association of the Blind	5	-
Promoting education, including special education	Samarthanam Trust for the Disabled	15	-
Promoting education, including special education	BHUMI	-	11
Eradicating hunger, poverty and malnutrition	The Akshaya Patra Foundation	*	10
Total		**20**	**21**

* Amount spent is Rs. 25,000/-

39 The Company has strategic gross investment amounting to Rs. 11,224 (2018: Rs. 11,224) in Xchanging Solutions (USA) Inc, USA, its wholly owned subsidiary. Based on assessment of diminution in the value of investments, the Company has made a provision of Rs. 6,045 (2018: Rs. 6,045) in prior years considering it to be "a decline other than temporary". The Company has tested the investments for impairment as at year end using cash flow projections based on financial forecast approved by the management covering a five-year period. The Company considers Xchanging Solutions (USA) Inc as a strategic long term investment and based on future growth projections, in the opinion of the management, the remaining value of the investments is not required to be impaired. Further, the Company has granted loans and advances aggregating to Rs. 17,283 (2018: Rs. 17,283) and the same was provided in prior years considering it to be doubtful of recovery. The company also has receivables (net of payables and provision) from the subsidiary amounting to Rs. 289 (2018: Rs. 149), based on the evaluation of recoverability, the net receivables is considered good and recoverable.

40 The Company has strategic gross investments amounting to Rs. 2,222 (2018: Rs. 2,222) in Xchanging Solutions (Europe) Limited, UK ("XSEL"), its wholly owned subsidiary. Based on assessment of diminution in the value of investments, the Company has made a provision of Rs. 2,222 (2018: Rs. 2,222) in prior years considering it to be "a decline other than temporary". Further, the Company does not have anything payable to the subsidiary. Board of Xchanging Solutions Limited ('the Company") has approved reduction of share capital of the Xchanging Solutions (Europe) Limited, 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 XSEL.

41 Open offer and minimum public shareholding (MPS)

1. The shareholding of the promoter and promoter group in Xchanging Solutions Limited ("Target Company") had increased to 78.77% due to an open offer made inter-alia by CSC Technologies India Private Limited ("CSC"). This open offer was consummated on January 6, 2017 (the "First Open Offer").

2. In terms of Regulation 7(4) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations"), read together with Rule 19A(2) of the Securities Contracts (Regulation) Rules, 1957 ("SCRR"), if an acquisition of shares tendered under an open offer results in the shareholding of the acquirer and persons acting in concert with the acquirer (in our case being the members of the promoter and the promoter group of the Target Company) going beyond 75%, they are required to bring down their shareholding to 75% within 12 (twelve) months from the date of such increase. Since the maximum non-pubic shareholding crossed this threshold pursuant to the First Open Offer on January 6, 2017, the Target Company was required to bring down the shareholding of its promoter and promoter group to 75% by January 5, 2018.

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

3. However, in the interim, due to the execution of a Merger Agreement on May 24, 2016 inter-alia between Hewlett Packard Enterprise Company and Computer Sciences Corporation, a fresh open offer was triggered ("Second Open Offer"). Subsequently, an application for informal guidance was filed with SEBI to seek clarifications on whether the aforesaid Merger Agreement triggered any obligation to make an open offer under the Takeover Regulations. Pursuant to SEBI's response to the said application, necessary steps were taken in respect of the Second Open Offer. The Public Announcement in this regard was made on November 17, 2017 and the Detailed Public Statement was published on November 24, 2017. The Second Open Offer was completed on June 11, 2018. Pursuant to the Second Open Offer the shareholding of the promoter and promoter group of the Target Company has increased to 90.8%.
4. In terms of Regulation 2(1)(p) of the Takeover Regulations, "offer period" has been defined to mean "the period between the date of entering into an agreement, formal or informal, to acquire shares, voting rights in, or control over a target company requiring a public announcement, or the date of the public announcement, as the case may be, and the date on which the payment of consideration to shareholders who have accepted the open offer is made, or the date on which open offer is withdrawn, as the case may be". Further, in terms of Regulation 25(4) of the Takeover Regulations, an acquirer and persons acting in concert with the acquirer (in our case being the members of the promoter and the promoter group of Target Company) are not permitted to sell their equity shares during the 'offer period'. Accordingly, the 'offer period' for the Second Open Offer commenced on May 24, 2016 and concluded on June 11, 2018. Based on the foregoing, the members of the promoter and promoter group of the Target Company were unable to comply with minimum public shareholding requirements by way of an 'offer for sale' until the Second Open Offer concluded on account of the said restriction under the Takeover Regulations.
5. Given that the Second Open Offer has now concluded, the acquirer and persons acting in concert with the acquirer (in our case being the members of the promoter and the promoter group of the Target Company) will bring down the non-public shareholding in the Target Company to the level specified, and within the time prescribed, in the SCRR which is June 10, 2019, Takeover Regulations and applicable SEBI guidelines.
6. Further, promoters submitted that the aforesaid has been disclosed in the Letter of Offer dated May 8, 2018.
7. Moreover, Promoters submitted that clarifications in relation to the foregoing have also been submitted to SEBI by way of the letter dated December 30, 2017, in response to SEBI's interim observations on the Draft Letter of Offer in relation to the Second Open Offer.

42 Transfer Pricing

The Company has carried out international transactions with associated enterprises. The Company appoints independent consultants to conduct a Transfer Pricing Study to determine whether the transactions with associated enterprises undertaken during the period are on an "arms length basis". For the current year, the transfer pricing study shall be completed within the permissible time under the legislation and adjustments, if any, arising from the transfer pricing study shall be accounted for as and when the study is completed. However, the Management is confident that its international transactions with associated enterprises are at arm's length so that the aforesaid legislation/transactions will not have any material impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation for the current year.

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

Loans given to fellow subsidiaries in which directors are interested:

Name of the party	Relationship	Amount outstanding as at March 31, 2019	Maximum balance outstanding during the year
Xchanging Technology Services India Private Limited	Common Director	916 (908)	926 (960)
Xchanging Builders (India) Private Limited	Common Director	985 (977)	988 (1,116)

Note: Figures in bracket relate to previous year

44 Events after the reporting period

Xchanging Solutions (Europe) Limited, UK ("XSEL") reduced its share capital to 1 share of £1 each on May 15, 2019. XSEL declared and paid dividend to the Company on May 20, 2019. After the payment of dividend, the Board of the XSEL has recommended shareholders' to place XSEL into liquidation and approve the same. Thereafter, Board of the Company has approved liquidation of XSEL on May 23, 2019.

45 Approval of financial statements

The financial statements of the Company have been reviewed and recommended by the Audit Committee to the Board, and approved by the Board of Directors at its meeting held on May 23, 2019.

46 Previous year figures

Previous year figures have been regrouped/reclassified wherever necessary.

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

Bhavani Balasubramanian
Partner

Place: Bengaluru
Date: May 23, 2019

For and on behalf of the Board of Directors

Chandrasekhara Rao Boddoju
Managing Director and
Chief Executive Officer
DIN : 08185777

Place: Bengaluru
Date: May 23, 2019

Shrenik Kumar Champalal
Whole Time Director and
Chief Financial Officer
DIN : 08099410

Place: Bengaluru
Date: May 23, 2019

Mayank Jain
Company Secretary

Place: Bengaluru
Date: May 23, 2019

TO THE MEMBERS OF XCHANGING SOLUTIONS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Xchanging Solutions Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated 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 consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements 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 Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Evaluation of uncertain tax positions** The Group has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 3.1 (ii) and 22 of the Consolidated financial statements.	**Principal Audit Procedures** Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Boards' Report including Annexures to the Board's Report, Management Discussion and Analysis Report and Corporate Governance Report including annexures thereon but does not include the consolidated financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the subsidiaries within the Group to express an opinion on the consolidated financial statements. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated 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.

Other Matter

(a) We did not audit the financial information of three subsidiaries, whose financial information reflect total assets of Rs. 552 Lakhs as at March 31, 2019, total revenues of Nil for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the financial information of the subsidiaries referred to in the Other Matter section above 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 of the aforesaid consolidated financial statements.

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

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

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Company, none of the directors of the Parent Company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

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

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

      ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Bhavani Balasubramanian
(Partner)
(Membership No. 22156)

Bengaluru, May 23, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Xchanging Solutions Limited (hereinafter referred to as "Parent"), as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Bhavani Balasubramanian
(Partner)
(Membership No. 22156)

Bengaluru, May 23, 2019

XCHANGING SOLUTIONS LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

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

	Note	As at Mar 31, 2019	As at Mar 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	31	45
Other intangible assets	5	5	4
Goodwill on consolidation	6	15,841	15,841
Financial assets			
Loans	7	1,618	1,868
Other financial assets	8	10	17
Deferred tax assets (net)	9	754	906
Other non-current assets	10	1,658	1,517
Total non-current assets		**19,917**	**20,198**
Current assets			
Financial assets			
Investments	11	-	12,151
Trade receivables	12	2,877	3,130
Cash and cash equivalents	13	25,691	7,352
Bank balances other than above	14	247	505
Loans	7	250	-
Other financial assets	8	2,093	3,250
Other current assets	10	258	211
Total current assets		**31,416**	**26,599**
Total assets		**51,333**	**46,797**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	11,140	11,140
Other equity	16	32,182	27,218
Total equity		**43,322**	**38,358**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	-	3
Provisions	18	303	340
Other non-current liabilities	19	-	1
Total non-current liabilities		**303**	**344**

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

	Note	As at Mar 31, 2019	As at Mar 31, 2018
Current liabilities			
Financial liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	20	1	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	20	3,130	3,490
Other financial liabilities	21	10	9
Provisions	18	77	86
Current tax liabilities (net)	22	4,001	3,681
Other current liabilities	23	489	829
Total current liabilities		**7,708**	**8,095**
Total liabilities		**8,011**	**8,439**
Total equity and liabilities		**51,333**	**46,797**

See accompanying notes to the consolidated financial statements

In terms of our report attached.

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

Bhavani Balasubramanian
Partner

Place: Bengaluru
Date: May 23, 2019

For and on behalf of the Board of Directors

Chandrasekhara Rao Boddoju
Managing Director and
Chief Executive Officer
DIN: 08185777

Place: Bengaluru
Date: May 23, 2019

Shrenik Kumar Champalal
Whole Time Director and
Chief Financial Officer
DIN: 08099410

Place: Bengaluru
Date: May 23, 2019

Mayank Jain
Company Secretary

Place: Bengaluru
Date: May 23, 2019

XCHANGING SOLUTIONS LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

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

	Note	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
Revenue from operations	24	18,410	18,590
Other income	25	1,455	1,577
Total Income		19,865	20,167
Expenses			
Employee benefits expense	26	8,825	10,485
Finance costs	27	1	4
Depreciation and amortisation expense	28	47	117
Other Expenses	29	5,312	5,500
Total expenses		14,185	16,106
Profit before tax		5,680	4,061
Tax expense/(benefit)			
Current tax	30	962	877
Current tax- for the earlier years		15	(27)
Deferred tax	30	32	47
Total tax expense		1,009	897
Profit for the period		**4,671**	**3,164**
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		35	45
(ii) Income tax relating to items that will not be reclassified to profit or loss		(10)	(16)
(B) (i) Items that may be reclassified to profit or loss			
- Exchange differences in translating the financial statements of foreign operations		378	246
(ii) Income tax relating to items that may be reclassified to profit or loss		(110)	(72)
Total other comprehensive income		293	203
Total Comprehensive Income for the period		**4,964**	**3,367**
Earnings per Equity Share (of Rs.10 each)	32		
Basic- In Rs.		4.19	2.84
Diluted- In Rs.		4.19	2.84

See accompanying notes to the consolidated financial statements

In terms of our report attached.

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

Bhavani Balasubramanian
Partner

Place: Bengaluru
Date: May 23, 2019

For and on behalf of the Board of Directors

Chandrasekhara Rao Boddoju
Managing Director and
Chief Executive Officer
DIN: 08185777

Place: Bengaluru
Date: May 23, 2019

Shrenik Kumar Champalal
Whole Time Director and
Chief Financial Officer
DIN: 08099410

Place: Bengaluru
Date: May 23, 2019

Mayank Jain
Company Secretary

Place: Bengaluru
Date: May 23, 2019

XCHANGING SOLUTIONS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

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

a EQUITY SHARE CAPITAL

Balance at April 1, 2017	**11,140**
Changes in equity share capital during the year	-
Balance at March 31, 2018	**11,140**
Changes in equity share capital during the year	-
Balance at March 31, 2019	**11,140**

b OTHER EQUITY

Particulars	Reserves & Surplus			Items of other comprehensive income	Total other equity
	Capital reserve	Securities premium	Retained earnings	Foreign currency translation reserve	
Balance as of April 1, 2017	**361**	**8,417**	**15,201**	**(128)**	**23,851**
Profit for the year	-	-	3,164	-	3,164
Other comprehensive income for the year, net of tax	-	-	29	174	203
Balance as of March 31, 2018	**361**	**8,417**	**18,394**	**46**	**27,218**

Particulars	Reserves & Surplus			Items of other comprehensive income	Total other equity
	Capital reserve	Securities premium	Retained earnings	Foreign currency translation reserve	
Balance as of April 1, 2018	**361**	**8,417**	**18,394**	**46**	**27,218**
Profit for the year	-	-	4,671	-	4,671
Other comprehensive income for the year, net of tax	-	-	25	268	293
Balance as of March 31, 2019	**361**	**8,417**	**23,090**	**314**	**32,182**

See accompanying notes to the consolidated financial statements

In terms of our report attached.

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

Bhavani Balasubramanian
Partner

Place: Bengaluru
Date: May 23, 2019

For and on behalf of the Board of Directors

Chandrasekhara Rao Boddoju
Managing Director and
Chief Executive Officer
DIN: 08185777

Place: Bengaluru
Date: May 23, 2019

Shrenik Kumar Champalal
Whole Time Director and
Chief Financial Officer
DIN: 08099410

Place: Bengaluru
Date: May 23, 2019

Mayank Jain
Company Secretary

Place: Bengaluru
Date: May 23, 2019

XCHANGING SOLUTIONS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

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

	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	5,680	4,061
Adjustments for:		
Depreciation and amortisation expense	47	117
Profit on sale of property, plant and equipment	(8)	(2)
Foreign exchange loss - unrealised	(36)	(26)
Interest income	(298)	(240)
Dividend income	(542)	(485)
Provision for doubtful advances	78	239
Provision for doubtful debts	7	112
Liabilities no longer required written back	(211)	(53)
Other provisions no longer required written back	(315)	(733)
Bad debts written off	41	-
Interest expense	1	4
Other non cash adjustments	25	29
Operating profit before working capital changes	4,469	3,023
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	329	1,448
Other current assets	41	(44)
Loans & other financial assets and other assets	981	1,001
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(446)	(2,024)
Other financial liabilities and other liabilities	144	297
Provisions	(46)	7
Cash generated from operations	5,472	3,708
Taxes paid (net of refunds)	(658)	(85)
Net cash generated from operating activities (A)	**4,814**	**3,623**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(28)	(12)
Proceeds from sale of property, plant and equipment	8	76
Dividend income	542	485
Long term deposits with banks with maturity period more than 3 months but less than 12 months	258	(493)
Long term deposits with banks with maturity period more than 12 months	16	109
Interest received	289	372
Net cash generated from investing activities (B)	**1,085**	**537**

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

	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment from long-term borrowings	(8)	(70)
Interest paid	(1)	(4)
Net cash used in financing activities (C)	**(9)**	**(74)**
Net increase in cash and cash equivalents (A + B + C)	**5,890**	**4,086**
Cash and cash equivalents at the beginning of the year	19,503	15,322
Effect of exchange differences on balances with banks in foreign currency	298	95
Cash and cash equivalents at the end of the year	**25,691**	**19,503**
Cash on hand	-	-
Balances with banks:		
In current accounts	11,739	7,221
Demand deposits (less than 3 months maturity)	13,941	119
Effect of exchange differences on balances with banks in foreign currency	11	12
Net cash and cash equivalents included in note 13	25,691	7,352
Current investments considered as cash equivalents	-	12,151
Cash and cash equivalents	**25,691**	**19,503**

Notes:
(1) Figures in brackets indicate cash outflow.

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.

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

Bhavani Balasubramanian
Partner

Place: Bengaluru
Date: May 23, 2019

For and on behalf of the Board of Directors

Chandrasekhara Rao Boddoju
Managing Director and
Chief Executive Officer
DIN: 08185777

Place: Bengaluru
Date: May 23, 2019

Shrenik Kumar Champalal
Whole Time Director and
Chief Financial Officer
DIN : 08099410

Place: Bengaluru
Date: May 23, 2019

Mayank Jain
Company Secretary

Place: Bengaluru
Date: May 23, 2019

XCHANGING SOLUTIONS LIMITED

Notes forming part of the consolidated financial statements

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

1. **General Information**

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

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

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

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

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

Name of the shareholder	As at Mar 31, 2019	As at Mar 31, 2018
Xchanging (Mauritius) Limited	52.07%	52.07%
Xchanging Technology Services India Private Limited, India*	34.96%	22.93%
DXC Technology India Private Limited (previously known as CSC Technologies India Private Limited)**	3.77%	3.77%
Scandent Holding Mauritius Limited***	-	10.21%
Katra Finance Limited	2.70%	2.70%
Others	6.50%	8.32%
	100.00%	**100.00%**

* Xchanging Technology Services India Private Limited acquired 12.03% of shares on June 11, 2018 through Manadatory open offer

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

*** Edelweiss Securities Limited holds shares as Registered Owner from December 29, 2016 onwards as collateral on behalf of Scandent Holding Mauritius Limited. Further, all shares have been sold on June 11, 2018 through Manadatory Open offer.

2. **Significant Accounting Policies**

2.1 Basis of preparation and presentation

These consolidated financial statements relating to Xchanging Solutions Limited ('the Company') and its subsidiaries (together 'the Group') have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below.

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

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

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

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

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

The principal accounting policies are set out below:

2.2 Basis of consolidation

2.2.1 Subsidiaries

(A) Subsidiaries are all entities (including structured entities) over which the Company has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The consolidated financial statements of the Group have been prepared based on a line-by-line consolidation of the balance sheet, statement of profit and loss and cash flow statement of the Company and its subsidiaries as at and for the year ended March 31, 2019. All inter-company transactions and balances between the entities included in the consolidated financial statements have been eliminated.

The excess of cost to the Company of its investments in subsidiaries, over its proportionate share in equity of the subsidiaries at the date of acquisition is recognised in the consolidated financial statements as Goodwill and disclosed under Intangible Assets. In case the cost of investment in subsidiaries is less than the proportionate share in equity of the subsidiaries at the date of acquisition, the difference is treated as Capital Reserve and disclosed under Reserves and Surplus or netted off against Goodwill, as may be the case.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

(B) Subsidiaries considered in the consolidated financial statements are given below:

Name of the subsidiary	**Country of incorporation**	**Ownership**	**Interest**
Direct subsidiaries:		**2019**	**2018**
Xchanging Solutions (Singapore) Pte Limited	Singapore	100%	100%
Xchanging Solutions (Europe) Limited	United Kingdom	100%	100%
Xchanging Solutions (USA) Inc	USA	100%	100%
Step-down subsidiaries:			
Nexplicit Infotech India Private Limited (Wholly owned subsidiary of Xchanging Solutions (USA) Inc)	India	100%	100%
Xchanging Solutions (Malaysia) Sdn Bhd (Wholly owned subsidiary of Xchanging Solutions (Singapore) Pte Limited)	Malaysia	100%	100%

2.3 Goodwill arising on consolidation

Goodwill arising on consolidation is carried at the value determined at the date of acquisition of the subsidiary. Goodwill arising on consolidation is not amortised, but is tested for impairment at every balance sheet date.

2.4 Revenue recognition

Effective April 1, 2018, the Group 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.

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

Revenue is recognised net of Goods and Services Tax (GST) to the extent that it is probable that economic benefit will flow to the Group and that revenue can be reliably measured. 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 ("T&M") are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.

(ii) In arrangements for software development and related services and maintenance services, the Group 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 Group 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 Group is unable to determine the standalone selling price, the Group 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 Contracts (AMC). The Group 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. AMC 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.

2.5 Other Income

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

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

2.6 Leases

As a lessee:

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

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

2.7 Foreign currencies

(i) Functional and presentation currency

The functional currency of Xchanging Solutions Limited and Nexplicit Infotech India Private Limited is the Indian rupee. The functional currencies of Xchanging Solutions (Singapore) Pte Limited, Xchanging Solutions (Europe) Limited, Xchanging Solutions (USA) Inc and Xchanging Solutions (Malaysia) Sdn Bhd are the respective local currencies. These financial statements are presented in Indian rupee.

(ii) Initial recognition:

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

(iii) Subsequent recognition:

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

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

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

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

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

(v) Translation of foreign operations:

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expense in the same period in which the gain or loss on disposal is recognised.

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

2.8 Employee benefits

2.8.1 Retirement benefit costs and termination benefits

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

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

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

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

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

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

2.8.2 Short-term and other long-term employee benefits

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

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

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

2.9 Taxation

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

2.9.1 Current tax

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

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

2.9.2 Deferred tax

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

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

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

2.9.3 Current tax and deferred tax for the year

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

2.10 Property, plant and equipment and depreciation

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

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

Category of assets	Estimated useful life
Servers (Computers)	2 to 4
Vehicles	2 to 6
Office equipment	3 to 5
Furniture and fixtures	5 to10

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

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

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

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

2.11 Intangible Assets and Amortisation

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

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

(i) Goodwill arising on acquisition is the difference between the cost of an acquired business and the aggregate of the fair value of that entity's identifiable assets and liabilities and the same is amortised on a straight-line basis over its economic life or the period defined in the Court scheme.

(ii) Computer software is amortised over an estimated useful life of one to six years.

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

2.12 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

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

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

2.13 Provisions and contingent liabilities

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

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

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

2.14 Financial instruments

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

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

2.15 Financial assets

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

2.15.1 <u>Classification of financial assets</u>

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

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

For the impairment policy on financial assets measured at amortised cost, refer Note 2.15.3

Financial assets that meet the following conditions are subsequently measured at Fair Value Through Other Comprehensive Income ("FVTOCI") (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 amounts in Rs. Lakhs, unless otherwise stated)

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

For the impairment policy on financial assets at FVTOCI, refer Note 2.15.3

All other financial assets are subsequently measured at fair value.

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

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

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

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

2.15.3 Impairment of financial assets

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

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

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

Allowance for Trade receivables

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

2.15.4 Derecognition of financial assets

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

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

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

2.15.5 Foreign exchange gains and losses

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

2.16 Financial liabilities

Classification as debt

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

Financial liabilities

2.16.1 Financial liabilities subsequently measured at amortised cost

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

2.16.2 Foreign exchange gains and losses

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

2.16.3 Derecognition of financial liabilities

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

2.17 Derivative financial instruments

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

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

2.18 Use of estimates

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

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

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

2.20 Cash flow statement

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

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

2.21 Investments

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

2.22 Segment Reporting

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

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

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

2.23 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.24 Project work expenses

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

2.25 GST/ Service tax input credit

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

2.26 Operating Cycle

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

2.27 Recent accounting pronouncements

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective- Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective- Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application

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

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Group is in process of evaluating the effect of this on the financial statements and the impact is expected to be insignificant.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, uncertainity over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainity over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the lost likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition- i) full retrospective approach- Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendments to Ind AS 12- Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19- plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period on or after April 1, 2019. The Group does not have any impact on account of this amendment.

3. Critical accounting judgements and key sources of estimation uncertainty

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

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

3.1 Critical judgements in applying accounting policies

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

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

i) Impairment of goodwill- Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. No impairment for goodwill has been identified during the year.

ii) Income taxes- The Group's three major tax jurisdictions are India, Singapore and the United States of America, though the Group also files tax returns in other foreign jurisdictions. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Also refer to note 30.

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

	As at Mar 31, 2019	As at Mar 31, 2018
4 PROPERTY, PLANT AND EQUIPMENT		
(Refer note 2.10 and 2.12)		
(Owned unless specified)		
Carrying amounts of:		
Leasehold Improvements	-	-
Computers	22	22
Vehicles	-	4
Office Equipment	9	19
Furniture and Fittings	-	-
	31	**45**

The changes in the carrying value for the year ended March 31, 2019

Particulars	Leasehold Improvements	Computers	Vehicles	Office Equipment	Furniture and Fittings	Total
Gross carrying value						
Balance as at April 1, 2017	730	1,528	181	287	261	2,987
Additions	-	2	-	6	-	8
Disposals	(765)	(337)	(146)	(123)	(253)	(1,624)
Translation	35	27	-	3	2	67
Balance as at March 31, 2018	**-**	**1,220**	**35**	**173**	**10**	**1,438**
Additions	-	26	-	-	-	26
Disposals	-	(104)	(7)	(4)	-	(115)
Translation	-	3	-	-	-	3
Balance as at March 31, 2019	**-**	**1,145**	**28**	**169**	**10**	**1,352**
Accumulated depreciation						
Balance as at April 1, 2017	730	1,441	103	249	249	2,772
Depreciation expense	-	67	18	16	3	104
Eliminated on disposals of assets	(765)	(337)	(90)	(114)	(244)	(1,550)
Translation	35	27	-	3	2	67
Balance as at March 31, 2018	**-**	**1,198**	**31**	**154**	**10**	**1,393**
Depreciation expense	-	26	4	10	-	40
Eliminated on disposals of assets	-	(104)	(7)	(4)	-	(115)
Translation	-	3	-	-	-	3
Balance as at March 31, 2019	**-**	**1,123**	**28**	**160**	**10**	**1,321**
Carrying value as at March 31, 2019	**-**	**22**	**-**	**9**	**-**	**31**
Carrying value as at March 31, 2018	**-**	**22**	**4**	**19**	**-**	**45**

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

		As at Mar 31, 2019	As at Mar 31, 2018
5	**OTHER INTANGIBLE ASSETS** (Refer note 2.11 and 2.12)		
	Carrying amounts of:		
	Goodwill acquired	-	-
	Computer software	5	4
		5	**4**

Particulars	Goodwill acquired	Computer software	Total
Gross carrying value			
Balance as at April 1, 2017	798	50	848
Additions	-	2	2
Disposals	(810)	-	(810)
Translation	12	4	16
Balance as at March 31, 2018	**-**	**56**	**56**
Additions	-	8	8
Disposals	-	-	-
Translation	-	-	-
Balance as at March 31, 2019	**-**	**64**	**64**
Accumulated amortisation			
Balance as at April 1, 2017	798	35	833
Amortisation expense	-	13	13
Disposals	(810)	-	(810)
Translation	12	4	16
Balance as at March 31, 2018	**-**	**52**	**52**
Amortisation expense	-	7	7
Disposals	-	-	-
Translation	-	-	-
Balance as at March 31, 2019	**-**	**59**	**59**
Carrying value as at March 31, 2019	**-**	**5**	**5**
Carrying value as at March 31, 2018	**-**	**4**	**4**

		As at Mar 31, 2019	As at Mar 31, 2018
6	**GOODWILL ON CONSOLIDATION** [Refer note 2.3, 2.11 and 3.1.(i)]		
	Carrying amounts of:		
	Cost	15,841	15,841
	Accumulated impairment losses	-	-
		15,841	**15,841**

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

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Cost		
Balance at the beginning of year	15,841	15,841
Additions	-	-
Derecognised	-	-
Balance at the end of year	**15,841**	**15,841**
Accumulated impairment losses		
Balance at the beginning of year	-	-
Impairment losses recognised in the year	-	-
Balance at the end of year	**-**	**-**
Net block at the end of the year	**15,841**	**15,841**

6.1 Allocation of goodwill to cash-generating units

The entire goodwill is allocated to Information Technology services (CGU).

The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial forecast approved by the management covering a five-year period, and a discount rate of 13% p.a. (2018: 13% p.a.).

Cash flow projections during the forecast period are based on the expected gross margins. The cash flows beyond that five-year period have been extrapolated using a terminal growth rate of 1% p.a. (2018: 1% p.a.). The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

As of March 31, 2019, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered. The key assumptions used for the calculations are as follows:

(1) EBIT margin: Average gross margins achieved in the prior periods before the forecast period.

(2) Discount rate: Discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. These estimates are likely to differ from future actual results of operations and cash flows.

		As at Mar 31, 2019	As at Mar 31, 2018
7	**LOANS**		
	(Refer note 2.15 and 2.18)		
	Unsecured, considered good unless otherwise stated		
	Non-current		
	Loans to fellow subsidiaries [Refer note 35]	1,618	1,868
		1,618	**1,868**
	Current		
	Loans to fellow subsidiaries [Refer note 35]	250	-
		250	**-**
8	**OTHER FINANCIAL ASSETS**		
	(Refer note 2.4, 2.15 and 2.18)		
	Unsecured considered good unless otherwise stated		
	Non-current		
	Security deposits	10	-
	Long term deposits with banks with maturity period more than 12 months	-	16
	Interest accrued on bank deposits	-	1
		10	**17**

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

	As at Mar 31, 2019	As at Mar 31, 2018
Current		
Expenses recoverable from fellow subsidiaries [Refer note 35]:	40	4
Security deposits		
- Considered good	186	311
- Considered doubtful	21	-
(Less): Provision for doubtful advances	(21)	-
Unbilled revenue	1,782	2,783
Interest accrued on loans to fellow subsidiaries [Refer note 35]	33	17
Interest accrued on bank deposits	13	19
Other Loans and advances (includes advances to employees and other receivables)		
- Considered good	39	116
- Considered doubtful	35	-
(Less): Provision for doubtful advances	(35)	-
	2,093	**3,250**

9 DEFERRED TAX ASSETS (NET)

[Refer note 2.9 and 3.1.(ii)]

Details of deferred tax assets and liabilities as at March 31, 2019 comprise of the following:

Particulars	As at Apr 1, 2018	(Credit)/ Charged to Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at Mar 31, 2019
Deferred Tax Assets				
Depreciation	209	22	-	187
Provision for gratuity	104	6	10	88
Provision for compensated absences	20	(2)	-	22
Provision for other employee benefits	64	45	-	19
Provision for doubtful debts	328	(34)	-	362
Provision for doubtful advances	154	(21)	-	175
Exchange differences in translating the financial statements of foreign operations	63	-	-	63
Others	36	16	-	20
Total (A)	**978**	**32**	**10**	**936**
Deferred Tax Liabilities				
Exchange differences in translating the financial statements of foreign operations	(72)	-	110	(182)
Total (B)	**(72)**	**-**	**110**	**(182)**
Deferred Tax Assets (Net) (A)-(B)	**906**	**32**	**120**	**754**

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

As at March 31, 2018

Particulars	As at Apr 1, 2017	(Credit)/ Charged to Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at Mar 31, 2018
Deferred Tax Assets				
Depreciation	269	60	-	209
Provision for gratuity	131	27	-	104
Provision for compensated absences	13	(7)	-	20
Provision for other employee benefits	27	(37)	-	64
Provision for doubtful debts	359	31	-	328
Provision for doubtful advances	99	(55)	-	154
Exchange differences in translating the financial statements of foreign operations	63	-	-	63
Others	64	28	-	36
Total (A)	**1,025**	**47**	**-**	**978**
Deferred Tax Liabilities				
Exchange differences in translating the financial statements of foreign operations	-	-	72	(72)
Total (B)	**-**	**-**	**72**	**(72)**
Deferred Tax Assets (Net) (A)-(B)	**1,025**	**47**	**72**	**906**

9.1 Unrecognised taxable temporary differences associated with investments and interests

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Taxable temporary differences in relation to investments in subsidiaries for which deferred tax liabilities have not been recognised are attributable to the following:		
- foreign subsidiaries	280	3,250
Total	280	3,250

10 OTHER ASSETS

(Refer note 2.25)

Unsecured considered good unless otherwise stated

Non-current		
Prepaid Expenses	13	19
Advances recoverable in kind	1,466	1,385
Balances with Government Authorities (Service tax & GST)		
- Considered good	179	113
- Considered doubtful	548	526
(Less): Provision for doubtful advances	(548)	(526)
	1,658	**1,517**
Current		
Balances with Government Authorities (Service tax)	116	167
Prepaid Expenses	111	44
Other Loans and advances	31	-
	258	**211**

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

		As at Mar 31, 2019	As at Mar 31, 2018
11	**CURRENT INVESTMENTS**		
	(Unquoted)		
	[Refer note 2.21 and 3.1.(iii)]		
	Investment in mutual funds [Refer note (i) below]	-	12,151
		-	**12,151**
	(i) Current investments include investments in the nature of "Cash and cash equivalents" amounting to Rs. Nil (2018: Rs. 12,151) considered as part of Cash and cash equivalents in the Cash Flow Statement.		
	Aggregate carrying value of unquoted investments	-	12,151
	Category-wise investments as per Ind AS 109 classification		
	Financial assets carried at fair value through profit or loss (FVTPL)	-	12,151
12	**TRADE RECEIVABLES**		
	(Refer note 2.15, 34 and 35)		
	(Unsecured)		
	Considered good	2,877	3,130
	Considered doubtful	1,271	1,192
	Less: Provision for doubtful trade receivables	(1,271)	(1,192)
		2,877	**3,130**
	Note:		
	The credit period ranges from 0 to 60 days. No interest is charged on trade receivables up to the due date. Cumulative balance of customers with more than 5% of total trade receivables amounts to Rs. 1,533 (2018: Rs. 2,479)		
13	**CASH AND CASH EQUIVALENTS**		
	(Refer note 2.19)		
	Balances with banks		
	In current accounts	11,750	7,233
	In demand deposit accounts (less than 3 months maturity)	13,941	119
	Cash on hand	-	-
	Cash and cash equivalent as per consolidated statement of cash flow	**25,691**	**7,352**
14	**OTHER BANK BALANCES**		
	Long Term Deposit with maturity more than 3 months but less than 12 months	247	505
		247	**505**
	Fixed Deposits with Banks include: Rs. 136 (2018: Rs. 132) which are under lien		
15	**EQUITY SHARE CAPITAL**		
	Authorised capital:		
	125,000,000 (2018: 125,000,000) Equity shares of Rs.10 each	12,500	12,500
	Issued, subscribed and paid up capital:		
	111,403,716 (2018: 111,403,716) Equity shares of Rs.10 each fully paid up	11,140	11,140
		11,140	**11,140**

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

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

	As at Mar 31, 2019		As at Mar 31, 2018	
Equity Shares	**Number of Shares**	**Amount**	**Number of Shares**	**Amount**
Shares outstanding at the beginning of the year	111,403,716	11,140	111,403,716	11,140
Add / (Less): Movement during the year	-	-	-	-
Shares outstanding at the end of the year	**111,403,716**	**11,140**	**111,403,716**	**11,140**

b) **Terms/ rights attached to equity shares**

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

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

Name of Shareholder	**As at Mar 31, 2019 Number of Shares**	**As at Mar 31, 2018 Number of Shares**
Xchanging (Mauritius) Limited, the immediate holding company	58,002,787	58,002,787
Xchanging Technology Services India Private Limited, subsidiary of Holding Company*	38,948,299	25,550,000
	96,951,086	**83,552,787**

* Xchanging Technology Services India Private Limited acquired 12.03% shares on June 11, 2018 through Manadatory open offer.

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

	As at Mar 31, 2019		As at Mar 31, 2018	
Name of Shareholder	**Number of Shares held**	**Percentage**	**Number of Shares held**	**Percentage**
Xchanging (Mauritius) Limited	58,002,787	52.07	58,002,787	52.07
Xchanging Technology Services India Private Limited	38,948,299	34.96	25,550,000	22.93
Scandent Holding Mauritius Limited**	-	-	11,370,849	10.21

** Edelweiss Securities Limited holds shares as Registered Owner from December 29, 2016 onwards as collateral on behalf of Scandent Holding Mauritius Limited. Further, all shares have been sold on June 11, 2018 through Manadatory Open offer.

		As at Mar 31, 2019	As at Mar 31, 2018
16	**OTHER EQUITY**		
	Capital reserve	361	361
	Security premium	8,417	8,417
	Foreign currency translation reserve	314	46
	Retained earnings	23,090	18,394
		32,182	**27,218**
16.1	**Capital reserve**		
	Balance at the beginning of the year	361	361
	Add / (Less): Movement during the year	-	-
	Balance at the end of the year	361	361

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

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

		As at Mar 31, 2019	As at Mar 31, 2018
16.2	**Security premium**		
	Balance at the beginning of the year	8,417	8,417
	Add / (Less): Movement during the year	-	-
	Balance at the end of the year	8,417	8,417

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

		As at Mar 31, 2019	As at Mar 31, 2018
16.3	**Foreign currency translation reserve**		
	Balance at the beginning of the year	46	(128)
	Add: Exchange difference arising on translating the foreign operations net of income tax	268	174
	Balance at the end of the year	**314**	**46**

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Rs.) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

		As at Mar 31, 2019	As at Mar 31, 2018
16.4	**Retained earnings**		
	Balance at the beginning of the year	18,394	15,201
	Profit for the year	4,671	3,164
	Other comprehensive income arising from remeasurement of defined benefit obligation net of tax	25	29
	Balance at the end of the year	23,090	18,394

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

17 NON-CURRENT BORROWINGS

(Refer note 2.16)

	As at Mar 31, 2019	As at Mar 31, 2018
Secured- at amortised cost		
From Bank:		
Loan for purchase of vehicles [Refer note 21]	-	3
	-	**3**

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

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

b) **Terms of Repayment:** Monthly payment of equated monthly instalments for a period of 3-5 years (2018: 3-6 years)

c) **Interest rate:** 9.5% to 10.5% per annum (2018: 9.5% to 10.5% per annum)

18 PROVISIONS

(Refer note 2.8)

	As at Mar 31, 2019	As at Mar 31, 2018
Non-current		
Provision for employee benefits:		
Provision for compensated absences	61	55
Provision for gratuity [Refer note 33]	242	285
	303	**340**
Current		
Provision for employee benefits:		
Provision for compensated absences	17	14
Provision for gratuity [Refer note 33]	60	72
	77	**86**

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

		As at Mar 31, 2019	As at Mar 31, 2018
19	**OTHER NON-CURRENT LIABILITIES**		
	Asset retirement obligation	-	1
		-	**1**
20	**TRADE PAYABLES**		
	(Refer note 2.16)		
	Total outstanding dues of micro enterprises and small enterprises [Refer Note (ii)]	1	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises		
	Due to Related parties [Refer note 35]	1,666	1,406
	Others:		
	Goods & services	1,346	1,782
	Employee related payables	118	302
		3,130	3,490
		3,131	**3,490**

Notes:

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

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

		Mar 31, 2019	Mar 31, 2018
(a)	Principal amount remaining unpaid	1	-
(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	-	-

		As at Mar 31, 2019	As at Mar 31, 2018
21	**OTHER FINANCIAL LIABILITIES**		
	(Refer note 2.7 and 2.16)		
	Current maturities of long-term borrowings [Refer note 17]	3	8
	Payable on purchase of property, plant and equipment	7	1
		10	**9**
22	**CURRENT TAX ASSETS AND LIABILITIES**		
	[Refer note 2.9 and 3.1.(ii)]		
	Current tax assets		
	Tax refund receivable	3,731	3,064
		3,731	3,064
	Current tax liabilities		
	Income tax payable	7,732	6,745
		7,732	6,745
		4,001	**3,681**

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

		As at Mar 31, 2019	As at Mar 31, 2018
23	**OTHER CURRENT LIABILITIES**		
	(Refer note 2.4 and 2.7)		
	Income received in advance (Unearned revenue)		
	- Fellow subsidiaries [Refer note 35]	49	-
	- Others	225	241
	Statutory remittances (Contributions to PF, ESIC, Withholding Taxes, GST etc.)	205	298
	Advances from customers	10	290
		489	**829**

		For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
24	**REVENUE FROM OPERATIONS**		
	(Refer note 2.4, 31 and 35)		
	Software services	18,410	18,590
		18,410	**18,590**

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 by contract type. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

Revenues by contract type	**For the year ended Mar 31, 2019**
T&M and AMC	16,303
Fixed Price	2,107
Total	18,410

		For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
25	**OTHER INCOME**		
	(Refer note 2.5 and 2.7)		
	a) Interest Income (at amortised cost)		
	Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
	Bank deposits	74	16
	Loans to fellow subsidiaries [Refer note 35]	224	224
		298	240
	b) Dividend income		
	Dividends from mutual funds	542	485
	All dividends from mutual funds carried at fair value through P&L recognised for both the years relate to investments held during each reporting period.		
	c) Other non-operating income (net of expenses directly attributable to such income)		
	Other provisions no longer required written back	315	733
	Liabilities no longer required written back	211	53
	Others (aggregate of immaterial items)	35	61
		561	847
	d) Other gains and losses		
	Profit on sale of property, plant and equipment (net)	8	2
	Profit on redemption of mutual funds	2	3
	Foreign exchange gain (net)	44	-
		54	5
	(a+b+c+d)	**1,455**	**1,577**

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

		For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
26	**EMPLOYEE BENEFITS EXPENSE**		
	(Refer note 2.8 and 33)		
	Salaries and wages including bonus	7,896	9,563
	Contribution to provident and other funds [Refer note 33]	248	307
	Gratuity expenses [Refer note 33]	70	83
	Staff welfare expenses	611	532
		8,825	**10,485**
27	**FINANCE COSTS**		
	Interest expenses on borrowings (not classified as at FVTPL)	1	4
		1	**4**
28	**DEPRECIATION AND AMORTISATION EXPENSE**		
	(Refer note 2.10, 2.11 and 2.18)		
	Depreciation of property, plant and equipment [Refer note 4]	40	104
	Amortisation of intangible assets [Refer note 5]	7	13
		47	**117**
29	**OTHER EXPENSES**		
	(Refer note 2.6, 2.7, 2.13, 2.18 and 2.24)		
	Project work expenses	3,874	3,274
	Power and fuel	42	79
	Rent including lease rentals [Refer note 36]	177	227
	Repairs and maintenance:		
	Computer equipments	190	216
	Leasehold improvements	-	37
	Others	66	135
	Insurance	60	90
	Rates and taxes	12	13
	Communication	216	294
	Travelling and conveyance	178	260
	Business promotion	46	52
	Training and development	1	3
	Net Loss on FV changes in current investments carried at FVTPL	5	-
	Expenditure towards Corporate Social Responsibility (CSR) activities [Refer note 39]	20	21
	Legal and professional	57	113
	Payments to auditors (Refer Note (i) below)	128	143
	Foreign exchange loss (net)	-	22
	Provision for doubtful debts (net)	7	112
	Bad debts written off	41	-
	Provision for doubtful advances	78	239
	Directors' sitting fees	29	27
	Miscellaneous expenses	85	143
		5,312	**5,500**
	Note:		
	(i) Payments to the auditors comprise (net of taxes, where applicable):		
	Statutory audit	73	84
	Limited review of quarterly financial results	44	44
	Tax audit	6	11
	Certifications	4	-
	Out-of-pocket expenses	1	4
		128	143

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

		For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
30	**INCOME TAXES**		
	[Refer note 2.9 and 3.1.(ii)]		
	1. Income tax recognised in profit or loss		
	Current tax		
	In respect of current year	962	877
	Deferred tax		
	In respect of current year	32	47
	Total income tax expense /(gain) recognised in the current year	**994**	**924**
	2. The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Profit before tax	5,680	4,061
	Income tax Expense Calculated at 29.120% (2018: 34.608%)	1,654	1,421
	Effect of notional income recognised for taxation	226	269
	Effect of income that is exempt from taxation	(170)	(169)
	Effect of inadmissible expenses	14	10
	Effect of change in tax rate	(290)	(166)
	Effect of book loss	-	-
	Effect of carry forward loss adjustment	(424)	(667)
	Effect of admissible deductions	(2)	(4)
	Others	(14)	230
	Income tax expense recognised in Profit and Loss	**994**	**924**

The income tax rate used for the above reconciliations is current tax 29.120% (2018: 34.608%) and Deferred tax 29.120% (2018: 29.120%), these are the corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law.

31 SEGMENT INFORMATION

(Refer note 2.22)

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

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

	Revenue by location of customers	
	Mar 31, 2019	Mar 31, 2018
Europe	1,790	2,182
USA	9,692	9,911
India	1,308	1,286
Rest of the World	5,620	5,211
	18,410	**18,590**

Balance of customers with more than 10% of total revenue amounts to Rs. 7,380 (2018: Rs. 9,438)

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

	Carrying amount of segment assets by location of the assets		Addition to Fixed Assets	
	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
Europe	623	1,030	-	-
USA	10,591	7,823	-	-
India	17,745	16,258	28	8
Rest of the World	21,620	20,780	6	2
	50,579	**45,891**	**34**	**10**

	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
32 EARNINGS PER SHARE		
(Refer note 2.23)		
Basic earnings per share		
Profit for the year after tax	4,671	3,164
Nominal value per share (Rs.)	10	10
Weighted average number of equity shares considered for calculating basic earnings per share – (A)	111,403,716	111,403,716
Earnings per share – Basic (Rs.)	**4.19**	**2.84**
Diluted earnings per share		
Weighted average number of equity shares considered for calculating diluted earnings per share – (B)	111,403,716	111,403,716
Earnings per share – Diluted (Rs.)	**4.19**	**2.84**

33 Employee Benefits Expense

(Refer note 2.8)

(a) Defined Contribution Plans

Provident Fund and Other Funds: During the year, the Group has recognised Rs. 248 (2018: Rs. 307) in the Statement of Profit and Loss relating to provident fund and other funds, which is included in the 'Contribution to provident and other funds'.

(b) Defined Benefit Plan

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

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

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

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

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

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

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

	As at Mar 31, 2019	As at Mar 31, 2018
(i) Movement in Present Value of the Defined benefit obligation		
Balance at the beginning of the year	357	378
Current Service Cost	47	59
Interest Cost	23	24
Actuarial (Gains) / Losses- Demographic	-	-
Actuarial (Gains) / Losses- Financial	(9)	(16)
Actuarial (Gains) / Losses- Experience	(26)	(29)
Benefits paid	(90)	(59)
Present Value of Defined benefit obligation at the end of the year	**302**	**357**
(ii) Assets and Liabilities recognised in the Balance Sheet		
Present Value of Defined Benefit Obligation	302	357
Amounts recognised as liability	**302**	**357**
Recognised under:		
Non-current provisions (Refer note 18)	242	285
Current provisions (Refer note 18)	60	72
	302	**357**

	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
(iii) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.		
Current Service Cost	47	59
Interest Cost	23	24
Components of defined benefit costs recognised in profit or loss	**70**	**83**
Remeasurement on the net defined benefit liability:		
Actuarial (Gain) / Loss due to Demographic Assumption changes	-	-
Actuarial (Gain) / Loss due to Financial Assumption changes	(9)	(16)
Actuarial (Gain) / Loss due to Experience	(26)	(29)
Components of defined benefit costs recognised in other comprehensive income	**(35)**	**(45)**
Total	**35**	**38**

	As at Mar 31, 2019	As at Mar 31, 2018
(iv) Actuarial Assumptions		
Discount Rate	6.95%	7.20%
Attrition Rate	20%	20%
Increase in Compensation Cost	6.75%	7.75%
Retirement Age	60	60

(v) Expected Future Cashflows

Particulars	March 31, 2019	March 31, 2018
Year 1	60	72
Year 2	53	61
Year 3	46	54
Year 4	46	47
Year 5	36	46

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

Notes:

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

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

(vi) Sensitivity analysis

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

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

As at March 31, 2019

Defined Benefit Obligation	Discount rate	Rate of Increase in Compensation Cost
Impact of decrease	6	(6)
Impact of increase	(5)	6

As at March 31, 2018

Defined Benefit Obligation	Discount rate	Rate of Increase in Compensation Cost
Impact of decrease	8	(7)
Impact of increase	(7)	8

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

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

34 Financial instruments

34.1 Capital management

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

The capital structure of the Group consists of net debt (borrowings as detailed in notes 17 and 21) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

34.1.1 Debt equity ratio

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

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Debt (i)	3	11
Net debt	**3**	**11**
Total equity	**43,322**	**38,358**
Net debt to equity ratio	0.00	0.00

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

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

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

	Particulars	As at Mar 31, 2019	As at Mar 31, 2018
34.2	**Categories of financial instruments**		
	Financial assets		
	Measured at fair value through profit or loss (FVTPL)		
	(a) Mandatorily measured:		
	Investment in mutual funds	-	12,151
	Measured at amortised cost		
	(a) Cash and bank balances	25,691	7,352
	(b) Bank balances other than above	247	505
	(c) Other financial assets at amortised cost	6,848	8,265
	Financial liabilities		
	Measured at amortised cost		
	Other financial liability at amortised cost	3,141	3,502

34.3 Financial risk management

The Group is exposed to foreign currency risk, liquidity risk, credit risk and interest risk which may impact the fair value of its financial instruments. The Group has a risk management policy to manage & mitigate these risks.

The Group's risk management policy aims to reduce volatility in consolidated financial statements while maintaining balance between providing predictability in the Group's business plan along with reasonable participation in market movement.

34.4 Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note 34.5).

34.5 Foreign currency risk management

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

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

Particulars	Liabilities as at		Assets as at	
	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
GBP	170	381	523	536
USD	1,739	1,008	12,117	8,899
Others*	960	1,350	4,608	4,295
Total	**2,869**	**2,739**	**17,248**	**13,730**

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

34.5.1 Foreign currency sensitivity analysis

The Group is mainly exposed to the USD and GBP.

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

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

Particulars	Impact on profit or loss for the year		Impact on total equity as at the end of the reporting period	
	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
GBP sensitivity				
Increase by 10%	35	15	35	15
Decrease by 10%	(35)	(15)	(35)	(15)
USD sensitivity				
Increase by 10%	1,038	789	1,038	789
Decrease by 10%	(1,038)	(789)	(1,038)	(789)
Others sensitivity*				
Increase by 10%	365	295	365	295
Decrease by 10%	(365)	(295)	(365)	(295)

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

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

34.6 Interest rate risk management

The Group is exposed to interest rate risk because the Group lend/ borrow funds at fixed interest rates. There is no exposure to market rate fluctuations.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

34.7 Credit risk management

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

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

Provision for expected credit losses

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

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

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

Particulars		Category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
March 31, 2019 (a) Expected credit loss for loans and other financial assets at amortised cost							
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	Loans at amortised cost	1,868	0%	-	1,868
		High quality assets, negligible credit risk	Other financial assets at amortised cost	86	0%	-	86
		Standard assets, moderate credit risk	Other financial assets at amortised cost	2,073	3%	56	2,017

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

Ageing	0-30 Days	31-60 Days	61-90 Days	91-180 Days	180+ Days	Total outstanding
Gross carrying amount	1,435	579	134	628	1,372	4,148
Expected loss rate	0%	0%	0%	0%	93%	31%
Expected credit losses (Loss allowance provision)	-	-	-	-	1,271	1,271
Carrying amount of trade receivables (net of impairment)	**1,435**	**579**	**134**	**628**	**101**	**2,877**

Particulars		Category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
March 31, 2018 (a) Expected credit loss for loans and other financial assets at amortised cost							
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	Loans at amortised cost	1,868	0%	-	1,868
		High quality assets, negligible credit risk	Other financial assets at amortised cost	57	0%	-	57
		Standard assets, moderate credit risk	Other financial assets at amortised cost	3,210	0%	-	3,210

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

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

Ageing	0-30 Days	31-60 Days	61-90 Days	91-180 Days	180+ Days	Total outstanding
Gross carrying amount	1,855	437	198	351	1,481	4,322
Expected loss rate	0%	0%	3%	10%	78%	28%
Expected credit losses (Loss allowance provision)	-	-	5	34	1,153	1,192
Carrying amount of trade receivables (net of impairment)	**1,855**	**437**	**193**	**317**	**328**	**3,130**

34.8 Liquidity risk management

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

34.8.1 Liquidity and interest risk tables

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

Particulars	Average effective interest rate(%)	Less than 1 year	1-2 years	2 years & above	Total carrying value
March 31, 2019					
Non-interest bearing	-	3,138	-	-	3,138
Fixed interest rate instruments	10.0%	3	-	-	3
		3,141	-	-	3,141
March 31, 2018					
Non-interest bearing	-	3,491	-	-	3,491
Fixed interest rate instruments	10.0%	8	3	-	11
		3,499	3	-	3,502

34 Financial Instruments by category (Contd.)

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.

March 31, 2019

There are no financial assets and liabilities measured at fair value

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

March 31, 2018

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

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

There are no financial liabilities measured at fair value

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

Valuation Methodologies

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

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

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.

35 Related Party Disclosures

A. Names of related parties and nature of relationship:

1) Parties where control exists:

Nature of relationship	Names of related parties
(i) Holding companies:	
Ultimate Holding Company	DXC Technology Company
Intermediate holding companies	Computer Sciences Corporation, USA ('CSC, USA') CSC Computer Sciences International Inc. Lux 1 Holding Company, Inc. CSC Computer Sciences International S.a.r.l. DXC Lux 5 S.a.r.l. CSC Computer Sciences Holdings S.a.r.l. DXC Lux 6 S.a.r.l. CSC Computer Sciences International Holdings Limited CSC Computer Sciences International Services Limited CSC Computer Sciences International Limited CSC Computer Sciences International Operations Limited Xchanging Limited Xchanging Holdings Limited Xchanging B.V.
Immediate holding company	Xchanging (Mauritius) Limited, Mauritius ('XML, Mauritius')
(ii) Key Managerial Personnel (KMP)	
Executive Director & Chief Executive Officer	Srikrishna Madhavan (from November 11, 2016 to October 13, 2017)
Executive Director & Chief Executive Officer	Ramaswamy Sankaranarayanan Kavalapara (from October 14, 2017 to March 30, 2018)
Executive Director, Chief Executive Officer & Chief Financial Officer	Shrenik Kumar Champalal as Executive Director (from March 31, 2018) Shrenik Kumar Champalal as Interim Chief Executive Officer (from March 31, 2018 to August 8, 2018) Shrenik Kumar Champalal as Chief Financial Officer (from February 13, 2019)
Executive Director & Chief Executive Officer	Chandrasekhara Boddoju Rao (from August 9, 2018)
Chief Financial Officer	Suresh Akella (from May 29, 2017 to November 15, 2018)
Company Secretary	Mayank Jain (from February 26, 2016)

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

Fellow subsidiaries	Xchanging Systems and Service Inc., USA ('XSSI, USA') Xchanging Global Insurance Solutions Ltd., UK ('XGISL, UK') Xchanging Technology Services India Private Limited, India ('XTSIPL, India') Xchanging UK Limited, UK ('XUKL, UK') Xchanging Asia Pacific Sdn Bhd, Malaysia ('XAPSB, Malaysia') Xchanging Procurement Services Limited, UK ('XPSL, UK') Xchanging Builders (India) Private Limited, India ('XBPL, India') Xchanging (SEA) Pte. Limited, Singapore ('XSPL, Singapore') DXC Technology India Private Limited, India (previously known as CSC Technologies India Private Limited) ('DXC, India') CSC Deutschland GmbH, Germany ('CSC, Germany') CSC Technology Singapore Pte. Ltd ('CSC, Singapore') CSC Switzerland GmbH, Switzerland ('CSC, Switzerland')

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

DXC Technology Services Vietnam Co, Vietnam ('DXC, Vietnam')
EIT Services India Private Limited, India ('EIT, India') (effective from current financial year)
E Services Singapore Pte.Ltd, Singapore ('E - Services, Singapore')
(effective from current financial year)
Ins-Sure Services Limited, UK ('Ins-Sure, Singapore')
(effective from current financial year)
ESIT Canada Enterprise Services Co, Canada ('ESIT, Canada')
(effective from current financial year)
CSC Consulting Inc., USA ('CSC Consulting, USA') (effective from current financial year)
Enterprise Services LLC, USA ('Enterprise, USA') (effective from current financial year)
CSC Corp - FSG US, USA ('CSC Corp, USA') (effective from current financial year)
MSS-Americas Outsourcing, USA ('Americas Outsourcing, USA')
(effective from current financial year)
CSC Japan LLC, Japan ('CSC, Japan') (effective from current financial year)
Xchanging Pty Limited, Australia ('Xchanging, Australia')
(effective from current financial year)

B.

Summary of transactions with related parties is as follows:	Holding companies		Fellow subsidiaries		Total	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Expenses paid on behalf of the Group:						
XUKL, UK	-	-	84	62	84	62
XTSIPL, India	-	-	734	544	734	544
XGISL, UK	-	-	-	67	-	67
XSSI, USA	-	-	5	29	5	29
DXC, India	-	-	171	191	171	191
CSC, Singapore	-	-	655	-	655	-
XAPSB, Malaysia	-	-	56	49	56	49
XSPL, Singapore	-	-	17	126	17	126
DXC, Vietnam	-	-	104	15	104	15
CSC, Germany	-	-	-	20	-	20
CSC, Switzerland	-	-	-	99	-	99
EIT, India	-	-	46	-	46	-
Total	**-**	**-**	**1,872**	**1,202**	**1,872**	**1,202**
Expenses paid on behalf of the related party:						
XSPL, Singapore	-	-	88	510	88	510
CSC, Singapore	-	-	-	21	-	21
XTSIPL, India	-	-	337	624	337	624
XAPSB, Malaysia	-	-	323	-	323	-
XPSL, UK	-	-	1	-	1	-
Total	**-**	**-**	**749**	**1,155**	**749**	**1,155**
Interest income on loans:						
XTSIPL, India	-	-	108	108	108	108
XBPL, India	-	-	116	116	116	116
Total	**-**	**-**	**224**	**224**	**224**	**224**

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

Revenue:

XGISL, UK	-	-	223	182	223	182
XAPSB, Malaysia	-	-	27	300	27	300
XTSIPL, India	-	-	-	6	-	6
DXC, India	-	-	598	618	598	618
CSC, Germany	-	-	14	37	14	37
CSC, Singapore	-	-	528	163	528	163
E - Services, Singapore	-	-	92	-	92	-
Ins-Sure, Singapore	-	-	240	-	240	-
ESIT, Canada	-	-	1	-	1	-
EIT, India	-	-	40	-	40	-
CSC Consulting, USA	-	-	56	-	56	-
Enterprise, USA	-	-	4	-	4	-
CSC Corp, USA	-	-	157	-	157	-
Americas Outsourcing, USA	-	-	190	-	190	-
CSC, Japan	-	-	6	-	6	-
XSPL, Singapore	-	-	1	10	1	10
Total	**-**	**-**	**2,177**	**1,316**	**2,177**	**1,316**

Other Income:

XTSIPL, India	-	-	3	3	3	3
Total	**-**	**-**	**3**	**3**	**3**	**3**

Note:

(i) Amount below the rounding off norm adopted by the Group i.e. Rs. 1 Lakh are not considered above

C.

Summary of balances of related parties is as follows:	Holding companies		Fellow subsidiaries		Total	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Trade Receivables:						
XAPSB, Malaysia	-	-	387	599	387	599
XGISL, UK	-	-	22	24	22	24
XTSIPL, India	-	-	124	66	124	66
DXC, India	-	-	40	285	40	285
CSC, Germany	-	-	-	10	-	10
CSC, Singapore	-	-	281	35	281	35
XSPL, Singapore	-	-	-	161	-	161
Ins-Sure, Singapore	-	-	75	-	75	-
EIT, India	-	-	48	-	48	-
CSC Consulting, USA	-	-	27	-	27	-
Enterprise, USA	-	-	4	-	4	-
Americas Outsourcing, USA	-	-	7	-	7	-
CSC Corp, USA	-	-	25	-	25	-
CSC, Japan	-	-	6	-	6	-
E - Services, Singapore	-	-	67	-	67	-
Total	**-**	**-**	**1,113**	**1,180**	**1,113**	**1,180**

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

Trade Payables:

XUKL, UK	-	-	39	27	39	27
XGISL, UK	-	-	97	334	97	334
XTSIPL, India	-	-	152	86	152	86
XAPSB, Malaysia	-	-	55	69	55	69
XSSI, USA	-	-	-	5	-	5
DXC, India	-	-	18	15	18	15
CSC, Singapore	-	-	302	8	302	8
CSC, Germany	-	-	-	21	-	21
CSC, USA	855	825	-	-	855	825
Xchanging, Australia	-	-	8	-	8	-
EIT, India	-	-	50	-	50	-
Americas Outsourcing, USA (Unearned revenue)	-	-	49	-	49	-
DXC, Vietnam	-	-	90	16	90	16
Total	**855**	**825**	**860**	**581**	**1,715**	**1,406**

Expenses Recoverable:

XTSIPL, India	-	-	1	-	1	-
XAPSB, Malaysia	-	-	-	1	-	1
XSPL, Singapore	-	-	-	3	-	3
DXC, India	-	-	39	-	39	-
Total	**-**	**-**	**40**	**4**	**40**	**4**

Loans and Advances (including interest accrued):

XTSIPL, India	-	-	916	908	916	908
XBPL, India	-	-	985	977	985	977
Total	**-**	**-**	**1,901**	**1,885**	**1,901**	**1,885**

Note:

(i) Amount below the rounding off norm adopted by the Group i.e. Rs. 1 Lakh are not considered above

D. Remuneration paid to the key managerial personnel

Particulars	**For the year ended Mar 31, 2019**	**For the year ended Mar 31, 2018**
Salaries, bonus, etc.	95	74
Total	**95**	**74**

Note:

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

36 Leases

(Refer note 2.6)

Operating lease

As lessee:

In case of assets taken on lease:

The Group has operating lease arrangements for its office premises, guest houses and certain equipment. The lease arrangements for premises and guest houses have been entered up to a maximum of six years from the respective dates of inception. Rent and hire charges for such operating leases recognised in the Statement of Profit and Loss for the period ended March 31, 2019 amounts to Rs. 177 (2018: Rs. 227).

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

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

	As at Mar 31, 2019	As at Mar 31, 2018
37 Capital and Other Commitments		
(a) Capital Commitments		
Estimated value of contracts in capital account remaining to be executed (net of advances)	2	16

(b) Other Commitments

(i) The Company has export obligations under the Software Technology Parks of India (STPI) scheme. In accordance with such scheme, the Company procures capital goods without payment of duties, for which, agreements and bonds are executed by the Company in favour of the Government. In case the Company does not fulfil the export obligation, it is liable to pay, on demand an amount equal to such duties saved including interest and liquidated damages. As at March 31, 2019, the Company has availed duty benefits amounting to Rs. Nil (2018: Rs. 84). As at March 31, 2019 there are no assets to be debonded.

38 Contingent Liabilities

(Refer note 2.13)

	As at Mar 31, 2019	As at Mar 31, 2018
(i) Claims against the Company not acknowledged as debts:		
Income tax matters [Note (b)]	1,177	758
Service tax matters [Note (c)]	2,359	2,359
	3,536	**3,117**

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

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

Notes:

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

(b) Represents various income tax demands under appeal.

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

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

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

39 Corporate Social Responsibility (CSR)

As per Sec 135 of the Companies Act, 2013 applicable in the current year, the Company has spent Rs. 20 (2018: Rs. 21) on various CSR initiatives, during the year, which are mentioned below:

Sector in which the project is covered	Particulars	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
Promoting education, including special education	The College student & Graduates Association of the Blind	5	-
Promoting education, including special education	Samarthanam Trust for the Disabled	15	-
Promoting education, including special education	BHUMI	-	11
Eradicating hunger, poverty and malnutrition	The Akshaya Patra Foundation	*	10
Total		**20**	**21**

* Amount spent is Rs. 25,000/-

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

40 Open offer and minimum public shareholding (MPS)

1. The shareholding of the promoter and promoter group in Xchanging Solutions Limited ("Target Company") had increased to 78.77% due to an open offer made inter-alia by CSC Technologies India Private Limited ("CSC"). This open offer was consummated on January 6, 2017 (the "First Open Offer").
2. In terms of Regulation 7(4) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations"), read together with Rule 19A(2) of the Securities Contracts (Regulation) Rules, 1957 ("SCRR"), if an acquisition of shares tendered under an open offer results in the shareholding of the acquirer and persons acting in concert with the acquirer (in our case being the members of the promoter and the promoter group of the Target Company) going beyond 75%, they are required to bring down their shareholding to 75% within 12 (twelve) months from the date of such increase. Since the maximum non-pubic shareholding crossed this threshold pursuant to the First Open Offer on January 6, 2017, the Target Company was required to bring down the shareholding of its promoter and promoter group to 75% by January 5, 2018.
3. However, in the interim, due to the execution of a Merger Agreement on May 24, 2016 inter-alia between Hewlett Packard Enterprise Company and Computer Sciences Corporation, a fresh open offer was triggered ("Second Open Offer"). Subsequently, an application for informal guidance was filed with SEBI to seek clarifications on whether the aforesaid Merger Agreement triggered any obligation to make an open offer under the Takeover Regulations. Pursuant to SEBI's response to the said application, necessary steps were taken in respect of the Second Open Offer. The Public Announcement in this regard was made on November 17, 2017 and the Detailed Public Statement was published on November 24, 2017. The Second Open Offer was completed on June 11, 2018. Pursuant to the Second Open Offer the shareholding of the promoter and promoter group of the Target Company has increased to 90.8%.
4. In terms of Regulation 2(1)(p) of the Takeover Regulations, "offer period" has been defined to mean "the period between the date of entering into an agreement, formal or informal, to acquire shares, voting rights in, or control over a target company requiring a public announcement, or the date of the public announcement, as the case may be, and the date on which the payment of consideration to shareholders who have accepted the open offer is made, or the date on which open offer is withdrawn, as the case may be". Further, in terms of Regulation 25(4) of the Takeover Regulations, an acquirer and persons acting in concert with the acquirer (in our case being the members of the promoter and the promoter group of Target Company) are not permitted to sell their equity shares during the 'offer period'. Accordingly, the 'offer period' for the Second Open Offer commenced on May 24, 2016 and concluded on June 11, 2018. Based on the foregoing, the members of the promoter and promoter group of the Target Company were unable to comply with minimum public shareholding requirements by way of an 'offer for sale' until the Second Open Offer concluded on account of the said restriction under the Takeover Regulations.
5. Given that the Second Open Offer has now concluded, the acquirer and persons acting in concert with the acquirer (in our case being the members of the promoter and the promoter group of the Target Company) will bring down the non-public shareholding in the Target Company to the level specified, and within the time prescribed, in the SCRR which is June 10, 2019, Takeover Regulations and applicable SEBI guidelines.
6. Further, promoters submitted that the aforesaid has been disclosed in the Letter of Offer dated May 8, 2018.
7. Moreover, Promoters submitted that clarifications in relation to the foregoing have also been submitted to SEBI by way of the letter dated December 30, 2017, in response to SEBI's interim observations on the Draft Letter of Offer in relation to the Second Open Offer.

41 Transfer Pricing

The Group has carried out international transactions with associated enterprises. The Group appoints independent consultants to conduct a Transfer Pricing Study to determine whether the transactions with associated enterprises undertaken during the period are on an "arms length basis". For the current period, the transfer pricing study shall be completed within the permissible time under the legislation and adjustments, if any, arising from the transfer pricing study shall be accounted for as and when the study is completed. However, the Management is confident that its international transactions with associated enterprises and within its subsidiaries are at arm's length so that the aforesaid legislation/transactions will not have any material impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation for the current period.

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

42 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Entity	Net assets, i.e., total assets minus total liabilities		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Xchanging Solutions Limited*	132%	(57,133)	39%	1,940
Indian Subsidiaries				
Nexplicit Infotech India Private Limited	0%	(98)	0%	-
Foreign Subsidiaries				
Xchanging Solutions (Europe) Limited	1%	(397)	0%	7
Xchanging Solutions (Singapore) Pte Limited	9%	(4,092)	21%	1,042
Xchanging Solutions (Malaysia) Sdn Bhd	0%	(49)	0%	2
Xchanging Solutions (USA) Inc	(43%)	18,447	40%	1,973
Total	**100%**	**(43,322)**	**100%**	**4,964**

* Includes elimination adjustments also.

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

Loans given to fellow subsidiaries in which directors are interested:

Name of the party	Relationship	Amount outstanding as at March 31, 2019	Maximum balance outstanding during the year
Xchanging Technology Services India Private Limited	Common Director	916 (908)	926 (960)
Xchanging Builders (India) Private Limited	Common Director	985 (977)	988 (1,116)

Note: Figures in bracket relate to previous year

44 Events after the reporting period

There are no events after the reporting period.

45 Approval of financial statements

The financial statements of the Group have been reviewed and recommended by the Audit Committee to the Board, and approved by the Board of Directors at its meeting held on May 23, 2019.

46 Previous year figures

Previous year figures have been regrouped / reclassified wherever necessary.

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

Bhavani Balasubramanian
Partner

Place: Bengaluru
Date: May 23, 2019

For and on behalf of the Board of Directors

Chandrasekhara Rao Boddoju
Managing Director and
Chief Executive Officer
DIN: 08185777

Place: Bengaluru
Date: May 23, 2019

Shrenik Kumar Champalal
Whole Time Director and
Chief Financial Officer
DIN : 08099410

Place: Bengaluru
Date: May 23, 2019

Mayank Jain
Company Secretary

Place: Bengaluru
Date: May 23, 2019

FORM AOC – 1

Pursuant to first proviso to Sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2018

Statement containing salient features of the financials statements of subsidiaries/associates Companies/joint ventures as included in the consolidated Financial Statement

Part – "A": Subsidiaries

(INR in Lakhs)

S. No.	Particulars	Xchanging Solution Europe Ltd.	Xchanging Solutions (USA) Inc.	Xchanging Solutions Singapore Pte Ltd.
1.	Date since when subsidiary was acquired	March 31, 2004	July 2, 2004	March 31, 2004
2.	Reporting period	April 1, 2018- March 31, 2019		
3.	Reporting currency	1 GBP= 89.90	1$= 69.16	1 SGD= 51.04
4.	Share Capital	2,395.08	6,867.26	1174
5.	Reserves & Surplus	(1998.01)	(25,314.73)	2,926.84
6.	Total Assets	397.06	9,563.74	5,542.98
7.	Total Current Liabilities	-	1,780.85	1,442.13
8.	Investments	-	18.93	60.07
9.	Turnover	11.54	9,393.86	5,662.97
10.	Profit (Loss) before Taxation	6.59	1,989.19	1,221.92
11.	Provision for taxation	-	34.57	189.36
12.	Profit after taxation	6.59	1,954.61	1,032.56
13.	Proposed dividend	-	-	-
14.	Extent of shareholding (in percentage)	100%	100%	100%

Note:

Nexplicit Infotech India Private Limited and Xchanging Solutions (Malaysia) Sdn Bhd are the step-down subsidiaries of the Company. Both entities are under liquidation.

Notice is hereby given that the Eighteenth Annual General Meeting ("AGM") of the members of Xchanging Solutions Limited ("Company") will be held on Tuesday, August 13, 2019 at 10:00 am at Kalyani Tech Park - Survey No 1, 6 & 24, Kundanhalli Village, K R Puram Hobli, Bangalore - 560066 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Gidugu Kalpana Tatavarti, who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. To consider and approve re-appointment of Mr. Henry D'Souza as an Independent Director of the Company.

   In this regard, it is proposed to consider and if thought fit to pass the following resolution as special resolution:

   "RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Regulation 16 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Henry D'Souza (DIN: 00276157), holds office till May 24, 2020, being eligible, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) years w.e.f.May 25, 2020."

4. To consider and approve appointment of Mr. Venkatesh Venkatasubba Ramanandashastry Shastry ("Venkatesh Shastry") as an Independent Director of the Company.

   In this regard, it is proposed to consider and if thought fit to pass the following resolution as special resolution:

   "RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Regulation 16 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Venkatesh Venkatasubba Ramanandashastry Shastry ("Venkatesh Shastry") (DIN: 08277771), who in terms of Section 161 of the Companies Act, 2013 and Article 93 of the Articles of Association of the Company, holds office till the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing him candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) years w.e.f. November 15, 2018"

5. To consider and approve appointment of Mrs. Nonavinakeri Srinivasaiyengar Rama ("Rama NS") as an Independent Director of the Company.

   In this regard, it is proposed to consider and if thought fit to pass the following resolution as special resolution:

   "RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Regulation 16 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Nonavinakeri Srinivasaiyengar Rama ("Rama NS") (DIN: 06720033), who in terms of Section 161 of the Companies Act, 2013 and Article 93 of the Articles of Association of the Company, holds office till the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) years w.e.f. April 1, 2019."

By Order of the Board of
Xchanging Solutions Limited

Mayank Jain
Company Secretary
Membership No: -A26620

Place: Bangalore
Date: May 23, 2019

Registered office: - SJR I-Park, Plot No. 13, 14, 15,
EPIP Industrial Area, Phase I Whitefield,
Bangalore – 560066

NOTES:

1. An explanatory statement as required pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.**

   A person shall not act as a proxy for more than 50 members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person.
3. Only registered members carrying the attendance slip and the holders of valid proxies registered with the Company will be permitted to attend the Meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.

4. Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty-four hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than 3 (three) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.

5. The Register of Members and Share Transfer Books of the Company will remain closed from August 7, 2019 to August 13, 2019 (both days inclusive) for the purpose of Annual General Meeting.

6. Members/ Proxy(ies) are requested to bring their copy of the Annual Report with them at the Annual General Meeting. Corporate members/ Societies etc. intending to send their authorized representative(s) are requested to send a duly certified copy of the Board Resolution/authority, as applicable, authorizing their representative(s) to attend and vote at the Annual General Meeting.

7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

8. All documents, including those required to be kept for inspection, referred to in the accompanying Notice, are open for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays and Public holidays, between 11:30 A.M. to 01:30 P.M. upto the date of the Annual General Meeting.

9. Members desirous of getting any information with regard to Accounts/Reports or Operations of the Company are requested to submit their queries addressed to the Chief Financial Officer/ Company Secretary of the Company at least ten days in advance of the Annual General Meeting so that the information called for can be made available at the Meeting.

10. Members holding shares in physical mode are requested to quote their Ledger Folio No. in all their correspondence and intimate the following directly to the Company's Registrar and Transfer Agent i.e. Karvy Fintech Private Limited.

    i) Changes, if any, in their address with PIN Code numbers.

    ii) Request for making nominations as per the provisions contained in Section 72 of the Companies Act, 2013, in the prescribed Form SH-13.

    Members holding shares in dematerialized mode are requested to intimate the aforesaid changes directly to their Depository Participant, as applicable.

    Further,

    A) SEBI mandates updation of Shareholder's PAN and Bank details vide SEBI Circular No.: SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018

    B) SEBI mandates transfer of securities only in dematerialized mode vide Notification No.: SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018

    In this regard, the Company has already sent three reminders on July 19, 2018; October 31, 2018; and December 1, 2018 to the shareholders.

11. In terms of the provisions of the Companies Act, 2013, a Company can serve Annual Report through electronic mode to the shareholders who have registered their e-mail address with the Company or with the Depository Participant. Accordingly, the Annual Report of the Company is being sent on the email addresses made available to the Company by the Depositories or registered by the Members with the Company or RTA of the Company, unless any member has requested for a hard copy of the same.

12. The Annual Report of the Company for the financial year ended March 31, 2019 being circulated to the members of the Company and this notice calling annual general meeting is available on the Company's website, viz. http://www.xchanging.com/investor-relations/xsl-content. The notice of the meeting is also available at the website of Karvy at evoting@karvy.com.

13. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices etc. from the Company in electronic mode.

14. Electronic copy of the Notice of the 18th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 18th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

15. In compliance with the provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Amendments Rules, 2015, the Company is pleased to provide the facility of voting through electronic means to its members. Members of the Company can transact all the items of the businesses with the facility of voting through electronic means as contained in the notice of the meeting.

16. The remote e-voting i.e. the facility of casting votes by a member using an electronic voting system from a place other than venue of a general meeting, shall commence at 09:00 AM on August 10, 2019 and will end at 05:00 PM on August 12, 2019. The facility for remote e-voting shall forthwith be blocked at the end of the period of remote e-voting.

17. The cut-off date i.e. date not earlier than seven days before the date of general meeting for determining the eligibility to vote by electronic means or in the general meeting shall be August 6, 2019.

18. A member whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to

avail the facility of remote e-voting as well as voting in the general meeting.

19. The facility for voting through ballot paper shall be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

20. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

21. The Company has appointed M/s Ankush Agarwal & Associates, Company Secretary in Practice, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the meeting, a consolidated scrutinizer's report of the votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and shall declare the result of the voting forthwith.

22. The results on the resolutions shall be declared within 48 hours of the conclusion of the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.

23. The Results of voting along with the Scrutinizer's Report(s) thereon would be available on the website of the Company http://www.xchanging.com/investor-relations/xsl-content and Service provider's website evoting@karvy.com immediately after the declaration of the results and would also be communicated simultaneously to the BSE Limited and the National Stock Exchange of India Limited.

24. Member may please note that no gifts/gift coupons shall be distributed at the venue of the Annual General Meeting.

25. The complete details of the instructions for e-voting are annexed to this Notice.

26. Route Map showing Directions to reach to the venue of the Meeting is given at the end of this Notice

INSTRUCTION FOR E-VOTING

I) Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Fintech Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:

i. Launch internet browser by typing the URL: https://evoting.karvy.com.

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email cs.ankushagarwal@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format **"Corporate Name_Event No".**

(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:

i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.

ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.karvy.com (Karvy Website) or contact Mr. Andandan K, Manager, (Unit: Xchanging Solutions Limited) of Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

b. You can also update your mobile number and e-mail id in the user profile to get e-voting confirmation.

c. The remote e-voting period commences on August 10, 2019 (9:00 A.M. IST) and ends on August 12, 2019 (5:00 P.M.IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 6, 2019, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. August 6, 2019.

e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., August 6, 2019, he/she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-voting Event Number + Folio No. or DP ID Client ID to 9212993399

Example for NSDL:
MYEPWD <SPACE> IN12345612345678

Example for CDSL:
MYEPWD <SPACE> 1402345612345678

Example for Physical:
MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Member may call Karvy's toll free number 1800-3454-001.

By Order of the Board of
Xchanging Solutions Limited

Mayank Jain
Company Secretary
Membership No: -A26620

Place : Bangalore
Date : May 23, 2019

Registered office: - SJR I-Park, Plot No. 13, 14, 15,
EPIP Industrial Area, Phase I Whitefield,
Bangalore – 560066

EXPLANATORY STATEMENT

Pursuant to Section 102(1) of the Companies Act, 2013

Item No. 3

The Shareholders have appointed Mr. Henry D'Souza as an Independent Director w.e.f May 25, 2015 in their 14th Annual General Meeting in compliance with the requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and under Section 161 of the Companies Act, 2013 ("the Act") to hold office up to the date of May 24, 2020. Pursuant to the provisions of Section 149 of the Companies Act, 2013 ('the Act'), an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and shall not be liable to retire by rotation.

He has given his consent for re-appointment as a Director of the Company and has confirmed that he is not disqualified from being appointed as a Director under Section 164 of the Act and Listing Regulations. The Company has also received a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16, 25 and other applicable regulations of the Listing Regulations.

The Nomination and Remuneration Committee of the Company has recommended the re-appointment of Mr. Henry D'Souza as an Independent Director of the Company whose period of office will not be liable to determination by retirement of directors by rotation.

Notice is received in writing under Section 160 of the Companies Act, 2013 has been received by the Company from a member signifying its intention to propose the re-appointment of Mr. Henry D'Souza as an Independent Director of the Company.

In the opinion of the Board, Mr. Henry D'Souza fulfills the conditions specified in the Act, the Rules thereunder and the Listing Regulations for re-appointment as an Independent Director and that he is independent of the management of the Company.

Accordingly, it is now proposed to re-appoint Mr. Henry D'Souza as an Independent Director under Section 149 of the Act and Regulation 16 and other applicable Regulations of the Listing Regulations for a term of 5 (five) years w.e.f. May 25, 2020. Further, appointment of Mr. Henry D'Souza also complies with the provisions of Section 149 of the Act and Regulation 16 and other applicable Regulations of the Listing Regulations with respect to appointment of Independent Director.

Copy of the draft letter of appointment of Mr. Henry D'Souza as an Independent Director of the Company setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, during normal business hours. Additional information in respect of Mr. Henry D'Souza, pursuant to the Listing Regulations and the Secretarial Standard on General Meetings.

It will be in the best interest of the Company if he is re-appointed as Independent Director of the Company.

The Board recommends this Special Resolution of re-appointment of Mr. Henry D'Souza as independent director for your approval.

No Director (other than Mr. Henry D'Souza himself), and key managerial personnel and their relatives, is in any way concerned or interested, financially or otherwise, in this resolution.

Item No. 4

The Board of Directors appointed Mr. Venkatesh Shastry as an Additional Director (Independent Director) w.e.f November 15, 2018 by way of resolution by circulation in compliance with the requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and under Section 161 of the Companies Act, 2013 (the Act") to hold office up to the date of this AGM as per Article 93 of the Articles of Association of the Company. Pursuant to the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company and shall not be liable to retire by rotation.

He has given his consent for appointment as a Director of the Company and has confirmed that he is not disqualified from being appointed as a Director under Section 164 of the Act and Listing Regulations. The Company has also received a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16, 25 and other applicable regulations of the Listing Regulations.

The Nomination and Remuneration Committee of the Company has recommended the appointment of Mr. Venkatesh Shastry as an Independent Director of the Company whose period of office will not be liable to determination by retirement of directors by rotation.

Notice is received in writing under Section 160 of the Companies Act, 2013 has been received by the Company from a member signifying its intention to propose the appointment of Mr. Venkatesh Shastry as an Independent Director of the Company.

In the opinion of the Board, Mr. Venkatesh Shastry fulfills the conditions specified in the Act, the Rules thereunder and the Listing Regulations for appointment as an Independent Director and that he is independent of the management of the Company.

Accordingly, it is now proposed to appoint Mr. Venkatesh Shastry as an Independent Director under Section 149 of the Act and Regulation 16, 25 and other applicable Regulations of the Listing Regulations for a term of 5 (five) years w.e.f. November 15, 2018.

Copy of the draft letter of appointment of Mr. Venkatesh Shastry as Independent Director of the Company setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, during normal business hours. It will be in the best interest of the Company if he is appointed as Independent Director of the Company. Additional information in respect of Mr. Venkatesh Shastry, pursuant to the Listing Regulations and the Secretarial Standard on General Meetings.

The Board recommends this Special Resolution of appointment of Mr. Venkatesh Shastry as independent director for your approval.

No Director (other than Mr. Venkatesh Shastry himself), and key managerial personnel and their relatives, is in any way concerned or interested, financially or otherwise, in this resolution.

Item No. 5

The Board of Directors appointed Mrs. Rama NS as Additional Director (Independent Director) w.e.f April 1, 2019 by way of resolution by circulation in compliance with the requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and under Section 161 of the Companies Act, 2013 ('the Act') to hold office up to the date of this AGM as per Article 93 of the Articles of Association of the Company. Pursuant to the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company and shall not be liable to retire by rotation.

Mrs. Rama NS has given her consent for appointment as a Director of the Company and has confirmed that she is not disqualified from being appointed as a Director under Section 164 of the Act and Listing Regulations. The Company has also received a declaration to the effect that she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16, 25 and other applicable regulations of the Listing Regulations.

The Nomination and Remuneration Committee of the Company has recommended the appointment of Mrs. Rama NS as

Independent Director of the Company whose period of office will not be liable to determination by retirement of directors by rotation.

Notice is received in writing under Section 160 of the Companies Act, 2013 has been received by the Company from a member signifying its intention to propose the appointment of Mrs. Rama NS as Director of the Company.

In the opinion of the Board, Mrs. Rama NS fulfills the conditions specified in the Act, the Rules thereunder and the Listing Regulations for appointment as an Independent Director and that she is independent of the management of the Company.

Accordingly, it is now proposed to appoint Mrs. Rama NS as Independent woman Director under Section 149 of the Act and Regulation 16, 25 and other applicable Regulations of the Listing Regulations for a term of 5 (five) years w.e.f. April 1, 2019.

Copy of the draft letter of appointment of Mrs. Rama NS as Independent Director of the Company setting out the terms and conditions of her appointment would be available for inspection without any fee by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, during normal business hours. It will be in the best interest of the Company if she is appointed as Independent Director of the Company. Additional information in respect of Mrs. Rama NS, pursuant to the Listing Regulations and the Secretarial Standard on General Meetings.

The Board recommends this Special Resolution of appointment of Mrs. Rama NS as independent director for your approval.

No Director (other than Mrs. Rama NS herself), and key managerial personnel and their relatives, is in any way concerned or interested, financially or otherwise, in this resolution.

In item no. 3, 4 and 5, additional Information pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name of the Director	Henry D'Souza		Venkatesh Shastry		Rama NS	
DIN	00276157		08277771		06720033	
Date of Birth	April 24, 1964		March 6, 1973		June 22, 1949	
Date of appointment	February 29, 2012		November 15, 2018		April 1, 2019	
Qualification	MBA (Marketing)		MBA		B Tech	
Relation with Promoters/ Directors	None		None		None	
Expertise in Functional area/brief resume	• Over 32 years of good experience in the various industry • Held various positions in different roles and responsibilities in many companies • Henry has completed a Masters Degree in Business Administration (Marketing)		• Over 18 years of executive search and leadership advisory experience • Worked with corporations in India and Asia, hiring for C-suite roles and NED board positions • MBA and a bachelor's degree in economics and statistics from Bangalore University		• Brings in decades of engineering and system design experience acquired during her tenure in ITI • Rama e-governs Electronics city and is responsible for implementing affordable and sustainable smart city solutions • Rama was location head for Bangalore DC and delivery head for product engineering in Infosys. • Rama is a gold medalist from Mysore University and is one of the first few women engineers of Karnataka	
Directorships in other Public Companies (other than Xchanging Solutions Ltd.)	Nil		Nil		Nil	
Chairman/Member (Other than Xchanging Solutions Ltd.) of:	Chairman	Member	Chairman	Member	Chairman	Member
Audit Committee	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders' Grievances Committee	Nil	Nil	Nil	Nil	Nil	Nil
Stakeholders' Relationship Committee	Nil	Nil	Nil	Nil	Nil	Nil

Membership/Chairmanship in Committees of Xchanging Solutions Limited	1. Audit Committee 2. Stakeholders Relationship Committee 3. Nomination and Remuneration Committee 4. Corporate Social Responsibility Committee 5. Committee of Independent Directors	1. Audit Committee 2. Stakeholders Relationship Committee 3. Nomination and Remuneration Committee 4. Corporate Social Responsibility Committee 5. Committee of Independent Directors	1. Audit Committee 2. Stakeholders Relationship Committee 3. Nomination and Remuneration Committee 4. Corporate Social Responsibility Committee 5. Committee of Independent Directors
Number of shares held in Xchanging Solutions Limited	Nil	Nil	Nil
Percentage of shareholding	Nil	Nil	Nil

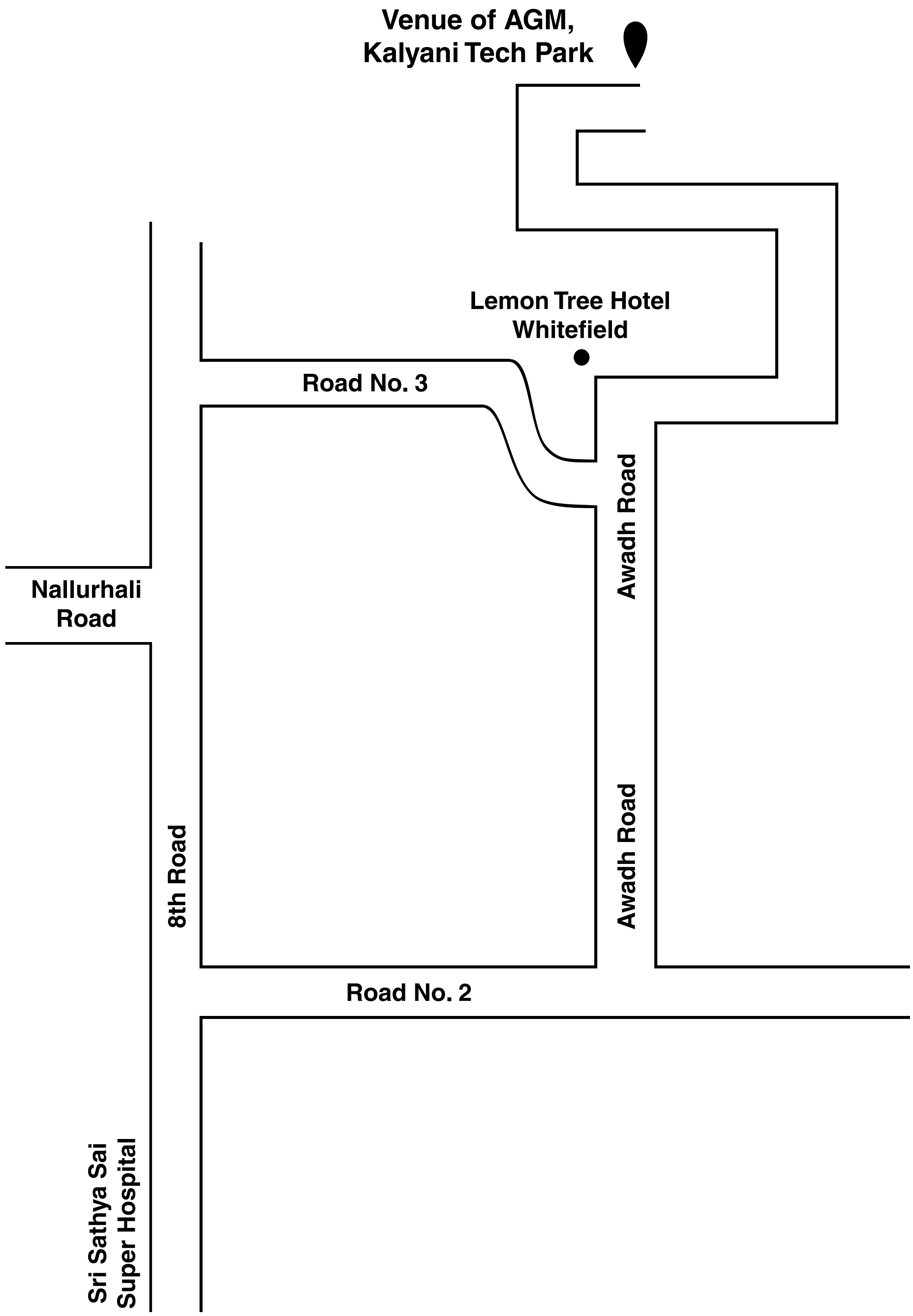
By Order of the Board of
Xchanging Solutions Limited

Mayank Jain
Company Secretary
Membership No:- A26620

Place : Bangalore
Date : May 23, 2019

Registered office:- SJR I-Park, Plot No. 13, 14, 15,
EPIP Industrial Area, Phase I Whitefield, Bangalore – 560066

Route Map of AGM Venue



XCHANGING SOLUTIONS LIMITED

CIN:L72200KA2002PLC030072
Regd. Office: SJR I-Park, Plot No. 13, 14, 15,
EPIP Industrial Area, Phase I, Whitefield, Bangalore-560 066.
Tel.: +91 80 4364 0000
Email: compliance@xchanging.com, Website: www.xchanging.com

Proxy Form

(Pursuant to Section 105(6) of the Companies Act 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the Member(s)	:
Registered Address	:
Email Id	:
Folio No. / Client ID	:
DP ID No.	:

I/We, being the member(s) of .... shares of the above named Company, hereby appoint:

(1) Name: ....
Address: ....
E-mail Id: .... Signature: ...., or failing him;

(2) Name: ....
Address: ....
E-mail Id: .... Signature: ...., or failing him;

(3) Name: ....
Address: ....
E-mail Id: .... Signature: ...., or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18th Annual General Meeting of the Company, to be held on Tuesday, the August 13, 2019 at 10:00 am at Kalyani Tech Park - Survey No 1, 6 & 24, Kundanhalli Village, K R Puram Hobli, Bangalore - 560066 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	No. of Shares held	For	Against
1. To receive, consider and adopt audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon. (Ordinary Resolution)			
2. To appoint a director in place of Mrs. Gidugu Kalpana Tatavarti, who retires by rotation and being eligible, offers herself for re-appointment. (Ordinary Resolution)			
3. To consider and approve re-appointment of Mr. Henry D'Souza as an Independent Director of the Company. (Special Resolution)			
4. To consider and approve appointment of Mr. Venkatesh Venkatasubba Ramanandashastry Shastry ("Venkatesh Shastry") as an Independent Director of the Company. (Special Resolution)			
5. To consider and approve appointment of Mrs. Nonavinakeri Srinivasaiyengar Rama ("Rama NS") as an Independent Director of the Company. (Special Resolution)			

Signed this .... day of 2019

Affix Rs. 1/- Revenue Stamp

Signature of Shareholder ....   Signature of Proxy holder(s) ....

Note: The Proxy Form in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the Meeting.

COURIER

If undelivered please return to:

XCHANGING SOLUTIONS LIMITED
CIN: L72200KA2002PLC030072
Kalyani Tech Park - Survey No 1, 6 & 24,
Kundanhalli Village, K R Puram Hobli,
Bangalore – 560066

Xchanging Solutions Limited

CIN: L72200KA2002PLC030072
Regd.Office: SJR I – Park, Plot 13, 14, 15, EPIP Industrial Area,
Phase – I, Whitefield, Bangalore - 560 066.
Tel.: +91 80 4364 0000
Email: compliance@xchanging.com

ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the Meeting Hall)

18TH ANNUAL GENERAL MEETING – TUESDAY 13, 2019

Serial No. : ....

1.	Name and Registered Address of the Sole/first Named Member	
2.	Name(s) of the Joint Member(s), if any	
3.	Registered Folio No./ DP ID No. & Client ID No.	
4.	Number of Shares held	
5.	Whether the Member is attending the meeting in person or by proxy or through duly Authorized Representative	

I hereby record my presence at the 18th Annual General Meeting of **XCHANGING SOLUTIONS LIMITED** being held on Tuesday, the 13th Day of August, 2019 at 10.00 A.M. at Kalyani Tech Park - Survey No 1, 6 & 24, Kundanhalli Village, K R Puram Hobli, Bangalore - 560066, India.

....
Signature of the Member/Proxy/
Authorized Representative

FOR IMMEDIATE ATTENTION OF THE MEMBERS

Members may please note the User ID/Password etc., given below for the purpose of e-voting in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. Detailed instructions for e-voting are given in the AGM notice.

Electronic Voting Particulars

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

- *Kindly bring this for to the AGM Venue.*

INDEPENDENT AUDITORS' REPORT

To The Members of Xchanging Solutions (Singapore) Pte Ltd

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

Key Audit Matters

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

There are no key audit matters identified.

Munish Sidana & Associates
New Delhi
Chartered Accountants

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.

Munish Jalana & Associates * Chartered Accountants * New Delhi

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other legal and regulatory requirements

1. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as

Sidana & Associates * Chartered Accountants * New Delhi on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana & Associates
New Delhi
Chartered Accountants

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

Xchanging Solutions (Singapore) Pte Ltd

Balance Sheet as at March 31, 2019

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

See accompanying notes forming part of the financial statements

In terms of our report attached

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana & Associates * Chartered Accountants * New Delhi

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

Place: New Delhi
Date: May 21, 2019

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

Director

Xchanging Solutions (Singapore) Pte Ltd

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

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

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana & Associates * Chartered Accountants * New Delhi

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

Place: New Delhi
Date: May 21, 2019

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

Director

Xchanging Solutions (Singapore) Pte Ltd

Cash Flow Statement for the year ended March 31, 2019

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

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana & Associates * Chartered Accountants * New Delhi

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

Place: New Delhi
Date: May 21, 2019

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

Director

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

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

a EQUITY SHARE CAPITAL

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

b OTHER EQUITY

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

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

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana & Associates * Chartered Accountants * New Delhi

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

Place: New Delhi
Date: May 21, 2019

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

Director

Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

1. Background

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

2. Basis of preparation

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

b) The functional currency of the Company is Singapore Dollar ("SGD") and the reporting currency of the financial statement is Indian Rupee ("INR").

c) For the convenience of readers, the Balance Sheet as at March 31, 2019 and the Profit & Loss Account and the Cash Flow for the year ended at that date have been translated into INR at the Exchange rate of 1 SGD = INR 51.0436 and the Balance Sheet as at March 31, 2018 and the Profit & Loss Account and the Cash Flow for the year ended on that date have been translated into INR at the Exchange rate of 1 SGD = INR 49.7166. The convenience translation should not be construed as a representation that the SGD amounts or INR amounts referred to in these financial statements have been, could have been, or could in the future be, converted into INR or SGD as the case may be, at this or at any other rate of exchange or at all. Wherever movement schedule is provided in the financial statement, the opening balance are converted at SGD 1= INR 51.0436 for March 31, 2019 and at the exchange rate of SGD 1=INR 49.7166 for March 31, 2018.

3. Summary of Significant Accounting Policies

3.1 Use of estimates

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

3.2 Property, plant & equipment and depreciation

(i) Tangible assets are stated at cost of acquisition less accumulated depreciation and impairment losses. Cost comprises the purchase price and any directly attributable costs of bringing the assets to their working condition for their intended use.
The carrying amounts are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

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

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

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

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

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

3.3 Intangible Assets and Amortisation

Intangible assets are stated at cost of acquisition less accumulated depreciation and impairment losses.

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets comprises of Computer Software, Goodwill, Software license rights and Product development costs. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

(vi) Computer softwares which are held for use in business / administrative purposes are amortised over an estimated useful life of two years.

(vii) Software License Rights purchased are amortized over their estimated useful life ranging from one to four years.

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

3.4 Leases

Finance lease

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

Operating lease

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

3.5 Investments

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

Munish Chandra & Associates * Chartered Accountants * New Delhi

3.6 Impairment of assets

The carrying values of tangible and intangible assets at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:
(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

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

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

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

3.7 Revenue recognition

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

Revenue is recognised net of Goods and Services Tax (GST) to the extent that it is probable that economic benefit will flow to the Company and that revenue can be reliably measured. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Arrangements with customers for software related services are either on a fixed-price or on a time-and-material basis.

(i) Revenue on time-and-material contracts are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.

(ii) In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

(iii) Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that

New Delhi
Chartered Accountants

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

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

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

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

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

3.8 Foreign currency transactions

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

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

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

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

(iii) Forward exchange contracts not intended for trading or speculation purposes:
The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

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

Munish Rana & Associates * New Delhi * Chartered Accountants

3.9 Employee benefits

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

3.10 Taxes on Income

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

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

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

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

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

3.11 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.12 Provisions and Contingent Liabilities

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

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

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

3.13 Segment reporting

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

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

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

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

3.14 Project work expenses

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

3.15 Cash and cash equivalents

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

3.16 Cash flow statement

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

3.17 Other Income

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

3.18 Operating Cycle

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

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

3.19 Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. However, there are no areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

3.20 Financial Assets

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

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

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

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

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

All other financial assets are subsequently measured at fair value.

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

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

The Holding Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Holding Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Holding Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased

Munish Sethi & Associates * New Delhi * Chartered Accountants significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

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

Allowance for Trade receivables

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

Derecognition of financial assets

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

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

3.21 Financial liabilities

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

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

Derecognition of financial liabilities

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

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

3.21 Financial instruments

3.21.01 Capital Management

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

The Company is not subject to any external imposed capital requirements

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

3.21.02 Disclosure and Categories of financial instruments

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

3.21.03 Categories of financial instruments

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

3.21.04 Fair value hierarchy

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

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

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

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

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

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

Munish Sidana & Associates * Chartered Accountants * New Delhi

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

3.22 Financials risk management objectives

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

Liquidity risk

(Amount in SGD)

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

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

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

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

*All figures are in SGD

Particulars	Leasehold Improvements	Computers	Vehicles	Office Equipment	Furniture and Fittings	Total
Gross carrying value						
Balance as at Apr 1, 2017	1,150,381	885,089	-	105,379	49,548	2,190,397
Additions		4,512				4,512
Disposals	(1,150,381)	(668,500)		(88,300)	(49,548)	(1,956,729)
Balance as at March 31, 2018	**-**	**221,101**	**-**	**17,079**	**-**	**238,180**
Additions		11,780				11,780
Disposals	-	-		-	-	-
Balance as at March 31, 2019	**-**	**232,881**	**-**	**17,079**	**-**	**249,960**
Accumulated depreciation						
Balance as at April 1, 2017	1,150,381	841,123	-	100,816	49,388	2,141,709
Depreciation expense		26,715		1,051	160	27,925
Eliminated on disposals of assets	(1,150,381)	(668,117)		(84,788)	(49,548)	(1,952,834)
Balance as at March 31, 2018	**-**	**199,721**	**-**	**17,079**	**-**	**216,800**
Depreciation expense		18,445		-	-	18,445
Eliminated on disposals of assets	-	-		-	-	-
Balance as at March 31, 2019	**-**	**218,166**	**-**	**17,079**	**-**	**235,245**
Net carrying value as at March 31, 2019	**-**	**14,715**	**-**	**-**	**-**	**14,715**
Net carrying value as at March 31, 2018	**-**	**21,380**	**-**	**-**	**-**	**21,380**

*All figures are in INR

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

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Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

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

Sidana & Associates New Delhi Chartered Accountants

Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

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

(i) Reconciliation of number of shares

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

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

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

Munish Chandna & Associates * Chartered Accountants * New Delhi

Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

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

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

	Mar 31, 2019 SGD	Mar 31, 2019 INR	Mar 31, 2018 SGD	Mar 31, 2018 INR
18 Other operating costs				
Rent	93,000	4,747,052	116,043	5,769,244
Project Work Expenses	3,509,983	179,162,076	2,087,103	103,763,654
Communication	77,500	3,955,856	85,081	4,229,939
Travel	52,790	2,694,573	171,623	8,532,511
Power and Fuel	-	-	8,528	423,972
Insurance	67,141	3,427,111	80,258	3,990,173
Recruitment and Relocation	22,584	1,152,754	78,402	3,897,891
Repairs and Maintenance				
- Computer Equipment	13,724	700,538	60,187	2,992,297
- Buildings	-	-	79,337	3,944,347
- Others	-	-	103,093	5,125,457
Legal and Professional	27,953	1,426,846	82,463	4,099,779
Printing & Stationery	760	38,788	7,694	382,523
Business Promotion	4,163	212,479	604	30,014
Net Exchange Loss	-	-	86,203	4,285,720
Bank charges	8,960	457,334	14,996	745,565
Miscellaneous Expenses	16,157	824,732	23,574	1,172,025
	3,894,715	**198,800,139**	**3,085,189**	**153,385,111**
19 Depreciation and amortisation				
Depreciation on Property, plant and equipment	18,445	941,514	27,925	1,388,339
	18,445	**941,514**	**27,925**	**1,388,339**

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

21 Segment reporting

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

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

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

21. Income tax recognised in Statement of profit and loss

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

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

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

Sidana & Associates New Delhi Chartered Accountants

Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

22 Related Party Disclosures

S No.	Name of the related party	Relationship	Nature of transaction	Transactions For the 12 Month Period Ended Mar 31, 2019 SGD	Receivable / (Payable) As At Mar 31, 2019 SGD	Transactions For the 12 Month Period Ended Mar 31, 2019 INR	Receivable / (Payable) As At Mar 31, 2019 INR	Transactions For the 12 Month Period Ended Mar 31, 2018 SGD	Receivable / (Payable) As At Mar 31, 2018 SGD	Transactions For the 12 Month Period Ended Mar 31, 2018 INR	Receivable / (Payable) As At Mar 31, 2018 INR
(i)	Xchanging Solutions Ltd, India	Holding Company									
			Revenue from software development & related services			-					
			Expenses reimbursed / incurred to / for related party	22,710		1,159,198		4,740		235,653	
			Payments made / received	(12,567)		(641,487)		(101,274)		(5,034,976)	
			Trade Receivables at the end of the year		***22,710***		***1,159,198***		***12,567***		***624,810***
			Trade Payables at the end of the year								
(ii)	Xchanging Solutions (USA) Inc.	Fellow Subsidiary									
			Revenue from software development & related services	-		-					
			Expenses reimbursed / incurred to / for related party	-		-		44,296		2,202,259	
			Payments made / received	589,661		30,098,415		86,651		4,307,986	
			Loans & Advances at the end of the year		-		-		***(589,661)***		***(29,315,953)***
			Trade Payables at the end of the year		-				-		
(iii)	Xchanging Technology Services India Pvt Ltd.	Fellow Subsidiary									
			Revenue from software development & related services	-		-					
			Expenses reimbursed / incurred to / for related party	(126,655)		(6,464,933)		(47,538)		(2,363,411)	
			Payments made / received	121,742		6,214,130		209,107		10,396,078	
			Trade Receivables at the end of the year		-		-		***1,000***		***49,717***
			Trade Payables at the end of the year		***(11,001)***		***(561,530)***		***(7,088)***		***(352,366)***
(iv)	Xchanging Solutions (Malaysia) Sdn Bhd	Subsidiary									
			Dividend Received								
			Expenses reimbursed / incurred to / for related party	-		-		(3,259)		(162,026)	
			Payments made / received	-		-		4,021		199,930	
			Trade Payables at the end of the year		-		-		-		-
			Trade Receivables at the end of the year		-		-		-		-
(v)	Xchanging Ltd	Fellow Subsidiary									
			Expenses reimbursed / incurred to / for related party	-		-		3,546		176,278	
			Payments made / received	-		-		122,152		6,072,994	
			Trade Payables at the end of the year		-		-		-		-
			Trade Receivables at the end of the year		-		-		-		-
(vi)	Xchanging Global Insurance Services Ltd.	Fellow Subsidiary									
			Expenses reimbursed / incurred to / for related party	-		-		(24,136)		(1,199,967)	
			Payments made / received	-		-		(512,405)		(25,475,044)	
			Trade Payables at the end of the year		-		-		-		-
			Trade Receivables at the end of the year		-		-		-		-
(vii)	XCH Asia Pacific Sdn Bhd	Fellow Subsidiary									
			Revenue from software development & related services	51,170							
			Expenses reimbursed / incurred to / for related party	669,545		34,175,954		766,039		38,084,875	
			Payments made / received	(1,137,379)		(58,055,888)					
			Trade Payables at the end of the year		***(107,453)***		***(5,484,790)***		***(137,276)***		***(6,824,888)***
			Trade Receivables at the end of the year		***758,309***		***38,706,800***		***1,204,796***		***59,898,363***
(Viii)	Xchaning (SEA) Pte. Ltd.	Fellow Subsidiary									
			Revenue from software development & related services	1,155		58,940		846,843			
			Expenses reimbursed / incurred to / for related party	252,196		12,872,978		3,112		154,728	
			Payments made / received	(578,447)		(29,526,010)		(888,479)		(44,172,178)	
			Trade Payables at the end of the year		***(394)***		***(20,090)***		-		-
			Trade Receivables at the end of the year		-		-		***324,703***		***16,143,131***

Munish Sidana & Associates * Chartered Accountants * New Delhi

Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

22 **Related Party Disclosures**

S No.	Name of the related party	Relationship	Nature of transaction	Transactions For the 12 Month Period Ended Mar 31, 2019 SGD	Receivable / (Payable) As At Mar 31, 2019 SGD	Transactions For the 12 Month Period Ended Mar 31, 2019 INR	Receivable / (Payable) As At Mar 31, 2019 INR	Transactions For the 12 Month Period Ended Mar 31, 2018 SGD	Receivable / (Payable) As At Mar 31, 2018 SGD	Transactions For the 12 Month Period Ended Mar 31, 2018 INR	Receivable / (Payable) As At Mar 31, 2018 INR
(ix)	DXC Technology Singapore Pte. Ltd.	Related Party									
			Revenue from software development & related services	1,018,148		51,959,887		366,936			
			Expenses reimbursed / incurred to / for related party	(1,513,997)		(77,279,828)		47,581		2,365,580	
			Payments made / received	401,127		20,474,963		(446,748)		(22,210,799)	
			Loans & Advances at the end of the year								
			Trade Payables at the end of the year		*(591,238)*		*(30,178,919)*		*(16,243)*		*(807,549)*
			Trade Receivables at the end of the year		*551,143*		*28,132,325*		*70,871*		*3,523,443*
(x)	DXC Technology Services Vietnam Co. Ltd.	Related Party									
			Expenses reimbursed / incurred to / for related party	(201,177)		(10,268,784)		(31,584)		(1,570,228)	
			Payments made / received	54,607		2,787,336					
			Trade Payables at the end of the year		*(178,153)*		*(9,093,586)*		*(31,584)*		*(1,570,228)*
			Trade Receivables at the end of the year		-		-		-		-
(xi)	E-Services Singapore Pte. Ltd	Related Party									
			Revenue from software development & related services	178,056		9,088,600		-		-	
			Expenses reimbursed / incurred to / for related party	12,512		638,671		-		-	
			Payments made / received	(59,681)		(3,046,316)		-		-	
			Trade Payables at the end of the year		-		-		-		-
			Trade Receivables at the end of the year		*130,887*		*6,680,954*		-		-
(xii)	CSC Japan, LLC	Related Party									
			Revenue from software development & related services	12,096		617,423		-		-	
			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*		*617,423*		-		-
(xiii)	Ins-Sure Services Ltd.	Fellow Subsidiary									
			Revenue from software development & related services	462,473		23,606,269		-		-	
			Expenses reimbursed / incurred to / for related party			-		-		-	
			Payments made / received	(315,559)		(16,107,280)		-		-	
			Trade Payables at the end of the year				-		-		-
			Trade Receivables at the end of the year		*146,913*		*7,498,989*		-		-

Munish Sidana & Associates * Chartered Accountants * New Delhi

Xchanging Solutions (Singapore) Pte Ltd

Notes forming part of the financial statements

23 Leases

(a) Operating Lease commitments

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

24 Prior year comparitives

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

In terms of our report attached

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana & Associates * Chartered Accountants * New Delhi

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

Place: New Delhi
Date: May 21, 2019

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

Director

MUNISH SIDANA & ASSOCIATES
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To The Members of Xchanging Solutions (USA) Inc

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

Key Audit Matters

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

There are no key audit matters identified.

Munish Sidana & Associates * Chartered Accountants * New Delhi

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards referred to sub-section (1) of section 129 and section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other legal and regulatory requirements

1. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as

Munish Sidana & Associates
New Delhi
Chartered Accountants

the best of our information and according to the explanations given to us;

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

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana & Associates Chartered Accountants New Delhi

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

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

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

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana & Associates * Chartered Accountants * New Delhi

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

Place: New Delhi
Date: 5/21/2019

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

Director

Xchanging Solutions (USA) Inc.

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

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

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munishidana

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

Munish Sidana & Associates * Chartered Accountants * New Delhi

Place: New Delhi
Date: 5/21/2019

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

Director

Xchanging Solutions (USA) Inc.

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

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

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Msidana

Munish Sidana & Associates * Chartered Accountants * New Delhi

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

Place: New Delhi
Date: 5/21/2019

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

Director

Xchanging Solutions (USA) Inc.

Notes Forming Part of the Financial Statement

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

a EQUITY SHARE CAPITAL

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

b OTHER EQUITY

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

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

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana & Associates * Chartered Accountants * New Delhi

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

Place: New Delhi
Date: 5/21/2019

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

Director

Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

1. Background

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

2. Funding of Future Operations

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

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

3. Basis of preparation

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

a) The functional currency of the Company is United States Dollar ('USD' or'$') and the reporting currency of the financial statements in Indian Rupee ('INR')

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

4. Summary of Significant Accounting Policies

4.1 Use of estimates

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

4.2 Property, plant & equipment and depreciation

(i) Tangible assets are stated at cost of acquisition less accumulated depreciation and impairment losses. Cost comprises the purchase price and any directly attributable costs of bringing the assets to their working condition for their intended use.
The carrying amounts are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

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

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

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc:

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

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

4.3 Intangible Assets and Amortisation

Intangible assets are stated at cost of acquisition less accumulated depreciation and impairment losses.

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets comprises of Computer Software, Goodwill, Software license rights and Product development costs. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

(i) Computer softwares which are held for use in business / administrative purposes are amortised over an estimated useful life of two years.

(ii) Software License Rights purchased are amortized over their estimated useful life ranging from one to four years.

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

4.4 Leases

Finance lease

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

Operating lease

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

4.5 Investments

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

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Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

4.6 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:
(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

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

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

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

4.7 Revenue recognition

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

Revenue is recognised net of Goods and Services Tax (GST) to the extent that it is probable that economic benefit will flow to the Company and that revenue can be reliably measured. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Arrangements with customers for software related services are either on a fixed-price or on a time-and-material basis.

(i) Revenue on time-and-material contracts are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.

(ii) In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

(iii) Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

New Delhi
Chartered Accountants

Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

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

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

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

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

4.8 Foreign currency transactions

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

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

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

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

(iii) Forward exchange contracts not intended for trading or speculation purposes:
The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

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

4.9 Employee benefits

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

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Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

4.10 Taxes on income

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

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

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

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

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

4.11 Provisions and contingent liabilities

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

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

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

4.12 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

4.13 Segment reporting

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

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

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

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

4.14 Project work expenses

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

4.15 Cash and Cash equivalents

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

4.16 Cash flow statement

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

4.17 Other Income

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

4.18 Operating Cycle

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

4.19 Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. However, there are no areas of

Muse Sadana & Associates New Delhi Chartered Accountants estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

4.20 Financial Assets

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

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

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

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

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

All other financial assets are subsequently measured at fair value.

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

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

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

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

Allowance for Trade receivables
The Holding Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). For the purpose of measuring lifetime ECL allowance for trade receivables, the Holding Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous

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

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

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

4.21 Financial liabilities

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

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

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

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3.21 **Financial instruments**

3.21.01 **Capital Management**

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

The Company is not subject to any external imposed capital requirements

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

3.21.02 **Disclosure and Categories of financial instruments**

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

3.21.03 **Categories of financial instruments**

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

3.21.04 **Fair value hierarchy**

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3 inputs are unobservable inputs for the asset or liability.
There are no financial Assets and Liabilities measured at fair value.

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

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

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

3.22 **Financials risk management objectives**

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

Liquidity risk

(Amount in USD)

As at March 31, 2019	Less than 1 yrs	1 to 5 yrs	>5 Yrs	Total
Trade Payables	2,302,181			2,302,181
Other Financials liabilities	38,202,031			38,202,031

As at March 31, 2018	Less than 1 yrs	1 to 5 yrs	>5 Yrs	Total
Trade Payables	2,355,979			2,355,979
Other Financials liabilities	38,148,233			38,148,233

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

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Xchanging Solutions (USA) Inc.
Notes forming part of the financial statements
(All amounts in USD unless otherwise stated)

5 PROPERTY, PLANT & EQUIPMENT

(Owned unless specified)

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

**All figures are in USD*

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

**All figures are in INR*

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

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Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

		As At Mar 31, 2019 USD	As At Mar 31, 2019 INR	As At Mar 31, 2018 USD	As At Mar 31, 2018 INR
6	**Non-current investments**				
	(Unquoted, Long term at cost, fully paid-up)				
	Subsidiary company:				
	10,000 Equity shares of Rs. 10 each in Nexplicit India Infotech Private Limited, India	27,370	1,892,808	27,370	1,783,062
		27,370	**1,892,808**	**27,370**	**1,783,062**
7	**Trade receivables**				
	Outstanding for a period exceeding 6 months from the date they are due for payment				
	Unsecured, considered good	1,508,154	104,298,315	1,221,302	79,563,626
	Unsecured, considered doubtful:	40,748	2,817,958	98,690	6,429,321
		1,548,902	107,116,273	1,319,992	85,992,947
	(Less): Provision for doubtful debts	(40,748)	(2,817,958)	(98,689)	(6,429,265)
		1,508,154	**104,298,315**	**1,221,303**	**79,563,682**
8	**Cash and cash equivalents**				
	Cash in hand			-	-
	Balances with Banks				
	- Current accounts	11,113,577	768,573,725	7,542,739	491,383,647
		11,113,577	**768,573,725**	**7,542,739**	**491,383,647**
9	**Other financial assets**				
	Current				
	(Unsecured considered good unless otherwise stated)				
	Security deposits		-	-	-
	Prepaid Expenses		-	3,940	256,685
	Other Loans and Advances:		-	450,000	29,315,961
	Unbilled Revenue	1,180,070	81,609,263	1,761,249	114,739,347
		1,180,070	**81,609,263**	**2,215,189**	**144,311,993**
11	**Reserves and surplus**				
	Capital reserve b/f	1,974,623	136,557,601	1,974,623	128,639,935
		1,974,623	136,557,601	1,974,623	128,639,935
	Securities premium b/f	17,567,336	1,214,891,783	17,567,336	1,144,451,860
	Surplus/(Deficit) in Statement of Profit and Loss				
	Balance as at the beginning of the period	(58,973,430)	(4,078,383,628)	(62,115,192)	(4,046,592,325)
	Profit /(loss) for the period	2,826,368	195,461,091	3,141,762	204,675,057
	Balance as at end of the period	(56,147,062)	(3,882,922,537)	(58,973,430)	(3,841,917,268)
		(36,605,103)	**(2,531,473,153)**	**(39,431,471)**	**(2,568,825,473)**
12	**Other financial liabilities (Long term)**				
	Loans from Subsidiaries				
	Holding company	37,929,096	2,623,035,587	37,929,096	2,470,950,910
		37,929,096	**2,623,035,587**	**37,929,096**	**2,470,950,910**
13	**Trade payables**				
	Due to:				
	Holding company	418,488	28,941,077	230,464	15,013,941
	Fellow Subsidiaries			-	-
	Other related parties	1,445,414	99,959,490	1,359,232	88,549,331
	Others	438,279	30,309,722	766,283	49,920,693
		2,302,181	**159,210,289**	**2,355,979**	**153,483,965**
14	**Current tax liabilities (net)**				
	Provision for taxation(net of advance tax)	272,935	18,875,141	222,935	14,523,423
		272,935	**18,875,141**	**222,935**	**14,523,423**

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Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

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

(i) Reconciliation of number of shares

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

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

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

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

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

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Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

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

20 Contingent Liabilities and commitment

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

21 Segment reporting

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

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

Munish Sharma & Associates New Delhi Chartered Accountants

Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

21. Income tax recognised in Statement of profit and loss

Particulars	For the Year ended March 31, 2019 (In USD)	For the Year ended March 31, 2019 (In INR)	For the Year ended March 31, 2018 (In USD)	For the Year ended March 31, 2018 (In INR)
Current tax				
In respect of the current year/period	50,000	3,457,815	103,682	6,754,532
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	For the Year ended March 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2018
profit/ (loss) before tax from continuing operations	2,876,368	198,918,904	3,245,444	211,429,590
Income tax expense calculated at 20 % on AMT Method	50,000	3,457,815	103,682	6,754,532
Effect of unused tax losses and tax offset not recognised as deferred tax assets				
Net Effect			-	-
Income tax expense recognised in profit or loss	50,000	3,457,815	103,682	6,754,532

Munish Sidana & Associates * Chartered Accountants * New Delhi

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 USD 2019	Receivable / (payable) USD 2019	Transactions INR 2019	Receivable / (payable) INR 2019	Transactions USD 2018	Receivable / (payable) USD 2018	Transactions INR 2018	Receivable / (payable) INR 2018
(i)	Xchanging Solutions Limited, India	Holding company									
			Expenses reimbursed / incurred to / for related party	(2,387,452)		(165,107,323)		(2,416,667)		(157,437,567)	
			Payments made / (received)	2,199,428		152,104,281		3,385,821		220,574,689	
			Trade Receivables / (Payable) at the end of the period		(418,488)		(28,941,077)		(230,464)		(15,013,941)
			Unsecured loan at the end of the period		(37,929,097)		(2,623,035,600)		(37,929,097)		(2,470,950,922)
(ii)	Xchanging Solutions Europe Limited, UK	Fellow subsidiary									
			Expenses reimbursed / incurred to / for related party	-		-		(183)		(11,953)	
			Payments made / (received)	-		-		8,080		526,374	
			Trade Receivables / (Payable) at the end of the period		-		-		-		-
			Unsecured loan at the end of the period		-		-		-		-
(iii)	Xchanging Solutions Pte Limited, Singapore	Fellow subsidiary									
			Expenses reimbursed / incurred to / for related party	-		-		-		-	
			Payments made / (received)	(450,000)		(31,120,331)		(63,999)		(4,169,322)	
			Trade Receivables / (Payable) at the end of the period		-		-		-		-
			Loans and advances at the end of the period		-		-		450,000		29,315,961
(iv)	IndigoMarkets Limited, Bermuda	Fellow subsidiary									
			Expenses reimbursed / incurred to / for related party								
			Payments made / received								
			Trade Receivables / (Payable) at the end of the year								
(v)	Processmind Holdings Mauritius Ltd	Subsidiary of Xchanging Plc UK									
			Unsecured loan at the end of the year								
			Loans and advances at the end of the year								
(iv)	Xchanging UK Ltd.	Fellow subsidiary									
			Expenses reimbursed / incurred to / for related party	(58,518)		(4,046,888)		(28,885)		(1,881,767)	
			Payments made / (received)	58,518		4,046,888		423,082		27,562,353	
			Trade Receivables / (Payable) at the end of the period		-		-		-		-
(v)	Ferguson Snell & Associates	Fellow subsidiary									
			Expenses reimbursed / incurred to / for related party	-		-		(31)		(2,040)	
			Payments made / received	-		-		1,687		109,889	
			Trade Receivables / (Payable) at the end of the period		-		-		-		-
(vi)	Xchanging Asia Pacific Pte Ltd.	Fellow subsidiary									
			Expenses reimbursed / incurred to / for related party								
			Payments made / received								
			Trade Receivables / (Payable) at the end of the period						0		0

Munish Sidana & Associates * Chartered Accountants * New Delhi

22 Related Party Disclosures

S No.	Name of the related party	Relationship	Nature of transaction	Transactions USD 2019	Receivable / (payable) USD 2019	Transactions INR 2019	Receivable / (payable) INR 2019	Transactions USD 2018	Receivable / (payable) USD 2018	Transactions INR 2018	Receivable / (payable) INR 2018
(vii)	Xchanging Systems Inc., USA	Fellow subsidiary	Expenses reimbursed / incurred to / for related party	(2,750)		(190,191)		2,157		140,489	
			Payments made / (received)	3,078		212,859		15,398		1,003,103	
			Trade Receivables / (Payable) at the end of the period		-		-		(328)		(21,354)
(viii)	Xchanging Technology Services India Pv	Fellow subsidiary	Expenses reimbursed / incurred to / for related party	1,141,391		78,934,367		59,109		3,850,743	
			Payments made / (received)	(1,089,718)		(75,360,854)		(617,810)		(40,248,239)	
			Trade Receivables / (Payable) at the end of the period		(29,293)		(2,025,795)		(22,380)		(1,457,985)
(ix)	Computer Science Corporation	Realted Party	Expenses reimbursed / incurred to / for related party	(4,601,645)		(318,232,669)		(9,367,744)			
			Payments made / (received)	7,504,529		518,985,369		8,101,231			
			Trade Receivables / (Payable) at the end of the period		(1,636,371)		(113,165,359)		(1,266,513)		(82,508,996)
(x)	Xchanging Finance s.a.r.l	Fellow subsidiary	Expenses reimbursed / incurred to / for related party								
			Payments made / received								
			Trade Receivables / (Payable) at the end of the year								
(ix)	CSC Corp - FSG US	Realted Party	InterCompany Revenue	202,949		14,035,204		-		-	
			Payments made / (received)	(166,163)		(11,491,244)		-		-	
			Trade Receivables / (Payable) at the end of the period		36,786		2,543,960		-		-
(x)	Xchanging Global Insurance Solutions	Fellow subsidiary	Expenses reimbursed / incurred to / for related party	-		-		(6)		(413)	
			Payments made / (received)	199		13,730					
			Trade Receivables / (Payable) at the end of the period		-		-		(199)		(12,934)
(xi)	Xchanging Systems & Services Inc., USA	Fellow subsidiary	Expenses reimbursed / incurred to / for related party	5,884		406,906		(61,584)			
			Payments made / (received)	(4,707)		(325,499)		165,947			
			Trade Receivables / (Payable) at the end of the period		-		-		(1,177)		(76,663)

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Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

23 Lease disclosures

Operating lease

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

24 Taxes

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

25 Previous year comparatives

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

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana Chartered Accountants New Delhi

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

Place: New Delhi
Date: 5/21/2019

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

Director

INDEPENDENT AUDITORS' REPORT

To The Members of Xchanging Solutions Europe Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

Key Audit Matters

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

There are no key audit matters identified.

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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.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other legal and regulatory requirements

1. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as

Munish Sidana & Associates
New Delhi
Chartered Accountants

on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

   (i) The Company does not have any pending litigations which would impact its financial position;
   (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
   (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

2. This Report has been furnished for the purpose of complying with Sec 129 and other applicable sections of Companies Act, 2013. It is not to be used for any other purpose or distributed to any other authority.

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana
Prop.
M. No. 099005
FRN: 020294N
Place: New Delhi
Date: May 21, 2019

Xchanging Solutions (Europe) Ltd.

Balance Sheet as at March 31, 2019

	Notes	As At Mar 31, 2019 GBP	As At Mar 31, 2019 INR	As At Mar 31, 2018 GBP	As At Mar 31, 2018 INR
ASSETS					
Current assets					
Financial assets					
Trade receivables	5	-	-	22,666	2,072,696
Cash and cash equivalents	6	441,139	39,656,750	433,623	39,653,237
Other financial assets	7	556	50,026	-	-
Total Current Assets		441,695	39,706,776	456,289	41,725,933
Total Assets		**441,695**	**39,706,776**	**456,289**	**41,725,933**
EQUITY AND LIABILITIES					
Shareholders' Funds					
Equity Sharecapital	8	2,664,278	239,508,654	2,664,278	243,638,365
Reserves and surplus	9	(2,222,583)	(199,801,878)	(2,229,915)	(203,917,442)
Total Equity		441,695	39,706,776	434,363	39,720,923
Current liabilities					
Financial liabilities					
Trade payables	10	-	-	12,500	1,143,079
Other financial liabilities	11	-	-	3,873	354,176
Other current liabilities	12	-	-	5,552	507,755
Total Current Liabilities		-	-	21,925	2,005,010
Total Equity and Liabilities		**441,695**	**39,706,776**	**456,289**	**41,725,933**

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana & Associates * Chartered Accountants * New Delhi

Munish Sidana
Prop.
M. No. 099005
FRN: 020294N

Place: New Delhi
Date: May 21, 2019

For and on behalf of the Board of Directors of
Xchanging Solutions Europe Ltd.

Director

Xchanging Solutions (Europe) Ltd.

Statement of Profit and Loss for the period ended March 31, 2019

	Notes	For the 12 months period ended Mar 31, 2019 GBP	Mar 31, 2019 INR	For the 12 months period ended Mar 31, 2018 GBP	Mar 31, 2018 INR
Income					
Other income	13	12,845	1,154,686	8,361	764,590
		12,845	**1,154,686**	**8,361**	**764,590**
Expenses					
Other operating costs	14	5,513	495,557	10,304	942,270
		5,513	**495,557**	**10,304**	**942,270**
Profit/(loss) for the year before tax		**7,332**	**659,129**	**(1,943)**	**(177,680)**
Tax expense		-	-	-	-
Profit/(loss) for the year after tax		**7,332**	**659,129**	**(1,943)**	**(177,680)**
Earnings/(Loss) per share {Equity shares, par value of GBP1 (2018 : GBP 1)}					
Basic and diluted		0.00	0.25	(0.00)	(0.07)
Weighted average number of equity shares used in computing earning/(loss) per share					
Basic and diluted		2,664,278	2,664,278	2,664,278	2,664,278

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana & Associates ★ Chartered Accountants ★ New Delhi

Munish Sidana
Prop.
M. No. 099005
FRN: 020294N

Place: New Delhi
Date: May 21, 2019

For and on behalf of the Board of Directors of
Xchanging Solutions Europe Ltd.

Director

Xchanging Solutions (Europe) Ltd.

Cash Flow Statement for the Period ended March 31, 2019

	For the 12 months period ended		For the 12 months period ended	
	Mar 31, 2019 GBP	Mar 31, 2019 INR	Mar 31, 2018 GBP	Mar 31, 2018 INR
A. Cash flow from operating activities				
Profit/ (loss) for the period	7,332	659,129	(1,943)	(177,680)
Adjustments for:				
Write back of Liabilities	12,500	1,123,703	8,361	764,590
Operating profit before working capital changes	**19,832**	**1,782,832**	**6,418**	**586,910**
Movements in working capital :				
Decrease / (Increase) in sundry debtors	22,666	2,037,563	(1,406)	(128,582)
Decrease / (Increase) in loans and advances and other current assets	(556)	(50,026)	130,883	11,968,794
Increase / (Decrease) in current liabilities and provisions	(34,426)	(3,094,723)	(27,702)	(2,533,276)
Net Cash from/ (used in) operations	**7,516**	**675,646**	**108,193**	**9,893,846**
Income Tax (Paid)/Refund , net	-	-	-	-
Net cash from/ (used in) Operating activities	**7,516**	**675,646**	**108,193**	**9,893,846**
Net increase/ (decrease) in cash and cash equivalents	**7,516**	**675,646**	**108,193**	**9,893,846**
Cash and cash equivalents at the beginning of the year	433,623	38,981,104	325,430	29,759,387
Cash and cash equivalents at the end of the period	**441,139**	**39,656,750**	**433,623**	**39,653,233**
Components of cash and cash equivalents:				
Balances with banks				
in current account	441,139	39,656,750	433,623	39,653,233
	441,139	**39,656,750**	**433,623**	**39,653,233**

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana

Munish Sidana & Associates New Delhi Chartered Accountants

Munish Sidana
Prop.
M. No. 099005
FRN: 020294N

Place: New Delhi
Date: May 21, 2019

For and on behalf of the Board of Directors of
Xchanging Solutions Europe Ltd.

Director

Xchanging Solutions (Europe) Ltd.

Notes Forming Part of the Financial Statement

9. Statement of Changes in Equity for the Year ended March 31, 2019

a EQUITY SHARE CAPITAL

	GBP	INR
Balance at April 1, 2017	**2,664,278**	**217,254,713**
Changes in equity share capital during the year	-	-
Exchange rate movement	-	26,383,652
Balance at March 31, 2018	**2,664,278**	**243,638,365**
Changes in equity share capital during the year	-	-
Exchange rate movement	-	(4,129,711)
Balance at March 31, 2019	**2,664,278**	**239,508,654**

b OTHER EQUITY

Particulars	Reserves & Surplus			
	Retained earnings (GBP)	Total other equity (GBP)	Retained earnings (INR)	Total other equity (INR)
Balance as of April 1, 2017	**(2,227,972)**	**(2,227,972)**	**(181,676,751)**	**(181,676,751)**
Profit/(Loss) for the period	(1,943)	(1,943)	(177,680)	(177,680)
Exchange rate movement	-	-	(22,063,011)	(22,063,011)
Balance as of March 31, 2018	**(2,229,915)**	**(2,229,915)**	**(203,917,442)**	**(203,917,442)**

Particulars	Reserves & Surplus			
	Retained earnings (GBP)	Total other equity (GBP)	Retained earnings (INR)	Total other equity (INR)
Balance as of April 1, 2018	**(2,229,915)**	**(2,229,915)**	**(203,917,442)**	**(203,917,442)**
Profit/(Loss) for the period	7,332	7,332	659,129	659,129
Exchange rate movement	-	-	3,456,434	3,456,434
Balance as of March 31, 2019	**(2,222,583)**	**(2,222,583)**	**(199,801,879)**	**(199,801,879)**

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana & Associates * Chartered Accountants * New Delhi

Munish Sidana
Prop.
M. No. 099005
FRN: 020294N

Place: New Delhi
Date: May 21, 2019

For and on behalf of the Board of Directors of
Xchanging Solutions Europe Ltd

Director

Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

1. Background

Xchanging Solutions Europe Limited ('XSEL' or 'the Company') was incorporated on March 5, 2002, incorporated and domiciled in The United Kingdom. The Company is engaged in the business of rendering software development and related services. The Company is a 100% Subsidiary of Xchanging Solutions Limited.

2. Funding of Future Operations

The Company during period ended March 31, 2019 incurred a Profit of GBP 7,332 – (INR 659,129) and has a positive net worth of GBP 441,695– (INR 39,706,776) as on that date.

3. Basis of preparation

a) The financial statements of the Company have been prepared in accordance with IND-AS's notified under the Companies (Indian Accounting Standard) Rules, 2015. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) For the convenience of the readers the balance sheet, as at March 31, 2019 and as at March 31, 2018, and the Profit and Loss account for both the periods/years have been translated into INR at the exchange rate of GBP 1= INR 89.90 for March 31, 2019 and at the exchange rate of GBP 1=INR 91.45 for March 31, 2018. The convenience translation should not be construed as a representation that the GBP amounts or the INR amounts referred to in these financial statements have been, could have been, or could in the future be, converted into INR or GBP as the case may be, at this or at any other rate of exchange, or at all. Wherever movement schedule is provided in the financial statement, the opening balance are converted at GBP 1= INR 89.90 for March 31, 2019 and at the exchange rate of GBP 1=INR 91.45 for March 31, 2018.

4. Summary of Significant Accounting Policies

4.1 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

4.2 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:
(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

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4.3 Revenue recognition

Revenue from time and material contracts are recognized as related services are performed.
Revenue is recognised net of value added tax.

4.4 Foreign currency transactions

(i) Initial recognition:
On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Subsequent recognition:
As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period other than those monetary assets which are provided for being doubtful of recovery.

Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

(iii) Forward exchange contracts not intended for trading or speculation purposes:
The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

(iv) Forward exchange contracts outstanding as at the period end on account of firm commitment / highly probable forecast transactions are marked to market and gain/losses, if any, are recognised in the Statement of Profit and Loss and gains.

4.5 Employee benefits

Retirement benefits to employees comprise contribution to National Security and leave encashment

The Company contributes the employer's share of the National Security and charges all such amounts to the Profit and loss account on an accrual basis.

Liability towards leave encashment benefits is provided based on an actual valuation performed as at the balance sheet date and is unfunded as at March 31, 2019.

4.6 Taxes on income

Income tax expense represents the sum of the tax currently payable and deferred tax.

<u>Current tax</u>
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.

<u>Deferred tax</u>
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.

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Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred taxes and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current tax and deferred tax for the year
Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

4.7 Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

4.8 Provisions and contingent liabilities

Provisions: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts (i.e., contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it) are recognised when it is probable that cash outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Contingent liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

4.9 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

4.10 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

4.11 Other Income

Provision writeback accounted on basis of actual cost received. Miscellaneous income accounted on actual basis.

4.12 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company accounting policies described above, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. However, there are no areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

4.13 Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value depending on the classification of the Financial assets.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for financial assets that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Holding Company right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

In accordance with Ind AS 109, the Holding Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the Financial assets that are initially measured at fair value with subsequent measurement at amortised cost e.g Trade receivables, unbilled revenue etc.

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The Holding Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Holding Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Holding Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

ECL is the difference between all contractual cash flows that are due to the Holding Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR).

Allowance for Trade receivables
The Holding Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). For the purpose of measuring lifetime ECL allowance for trade receivables, the Holding Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

Derecognition of financial assets
The Holding Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Holding Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Holding Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Holding Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Holding Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

4.14 Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' Line item.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTP.

Derecognition of financial liabilities
The Holding Company derecognises financial liabilities when, and only when, the Holding Company 's obligations are discharged, cancelled or have expired, An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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4.15 Financial instruments

4.15.01 Disclosure and Categories of financial instruments

This section provides additional information on balance sheet items that contain financial instruments:-

4.15.02 Categories of financial instruments

Particulars	GBP As at March 31, 2019	GBP As at March 31, 2018
Financial assets		
Measured at amortised cost		
(a) Cash and bank balances	441,139	433,623
(b) Other financial assets at amortised cost	556	22,666
Financial liabilities		
Measured at amortised cost		
(a) Trade Payables	-	12,500
(b) Other financial liability at amortised cost	-	9,425

4.15.03 Fair value hierarchy

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3 inputs are unobservable inputs for the asset or liability.
There are no financial Assets and Liabilities measured at fair value.

Fair value of financial assets and financial liabilities that are not measured at fair value

The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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4.16 Financials risk management objectives

The Company's management monitors and manage the financial risks relating to the operations of the Company These risks includes liquidity risk

Liquidity risk

(Amount in GBP)

As at March 31, 2018	Less than 1 yrs	1 to 5 yrs	>5 Yrs	Total
Trade Payables	12,500			12,500
Other Financials liabilities	9,425			9,425

As at March 31, 2019	Less than 1 yrs	1 to 5 yrs	>5 Yrs	Total
Trade Payables	-			-
Other Financials liabilities	-			-

The Parent Company's financial support and operational cash flows will be sufficient to dispose the financial liabilities with in the maturity perio

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Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

8 Share Capital	As At Mar 31, 2019 GBP	As At Mar 31, 2019 INR	As At Mar 31, 2018 GBP	As At Mar 31, 2018 INR
Authorised capital:				
5,000,000 (Previous Year 5,000,000) Equity Shares of GBP 1 Each	5,000,000	449,481,350	5,000,000	457,231,500
Issued, subscribed and paid up capital:				
2,664,278 (Previous Year 2,664,278) Equity Shares of GBP 1 Each fully paid up	2,664,278	239,508,654	2,664,278	243,638,365
	2,664,278	**239,508,654**	**2,664,278**	**243,638,365**

(i) Reconciliation of number of shares

	As at Mar 31, 2019		As at Mar 31, 2018	
	Number of Shares	Amount in GBP	Number of Shares	Amount in GBP
Equity Shares				
Shares outstanding at the beginning of the period	2,664,278	239,508,654	2,664,278	243,638,365
Add / (Less): Movement for the period				
Shares outstanding at the end of the period	**2,664,278**	**239,508,654**	**2,664,278**	**243,638,365**

(ii) Shares held by holding company and subsidiary of holding company

Name of Shareholder	As at Mar 31, 2019		As at Mar 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
Xchanging Solutions Ltd, India, Holding Company	2,664,278	2,664,278	2,664,278	2,664,278

(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at Mar 31, 2019		As at Mar 31, 2018	
	Number of Shares held	Percentage	Number of Shares held	Percentage
Xchanging Solutions Ltd, India, Holding Company	2,664,278	100.00%	2,664,278	100.00%

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Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

		As At Mar 31, 2019 GBP	As At Mar 31, 2019 INR	As At Mar 31, 2018 GBP	As At Mar 31, 2018 INR
5	**Trade receivables**				
	Outstanding for a period exceeding 6 months from the date they are due for payment				
	Unsecured, considered good	-	-	22,666	2,072,695
		-	-	22,666	2,072,695
6	**Cash and cash equivalents**				
	Balances with Banks				
	- Current accounts	441,139	39,656,750	433,623	39,653,237
		441,139	39,656,750	433,623	39,653,237
7	**Other financial assets**				
	(Unsecured considered good, unless otherwise stated)				
	Fellow subsididary	-	-	-	-
	Balances with Government. Authorities	556	50,026	-	-
		556	50,026	-	-
10	**Trade payables**				
	Due to:				
	Others	-	-	12,500	1,143,079
		-	-	12,500	1,143,079
11	**Other financial liabilities**				
	Other short-term liabilities	-	-	3,873	354,172
		-	-	3,873	354,172
12	**Other current liabilities**				
	Dues with Government Authorties	-	-	5,552	507,755
		-	-	5,552	507,755

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Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

	For the 12 months period ended Mar 31, 2019 GBP	Mar 31, 2019 INR	For the 12 months period ended Mar 31, 2018 GBP	Mar 31, 2018 INR
13 Other income				
Writeback of Provision	12,500	1,123,703	8,361	764,590
Miscellaneous Income	345	30,983	-	-
	12,845	1,154,686	8,361	764,590
14 Other operating costs				
Travel	2,538	228,157	-	-
Rates and Taxes	750	67,422	5,000	457,232
Bank charges	2,196	197,416	1,988	181,840
Net Exchange Loss	-	-	132	12,049
Miscellaneous expenses	29	2,562	3,184	291,149
	5,513	495,557	10,304	942,270

15 Contingent Liabilities and commitment

	As at Mar 31, 2019 GBP	As at Mar 31, 2019 INR	As at Mar 31, 2018 GBP	As at Mar 31, 2018 INR
Contingent liabilities	Nil	Nil	Nil	Nil
Capital commitment	Nil	Nil	Nil	Nil

16 Segment reporting

The Company's business activity is organised within a single business and geographical segment. The Company renders software development and related services to its customers in UK region and is managed as one entity, governed by similar set of risks and returns. Accordingly, there are no additional disclosures to be provided under Accounting Standard 17 –'Segment Reporting' other than those already provided in financial statements.

Secondary segmental reporting is performed on the basis of the geographical location of Customer. The Company services in UK geographical segment.

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Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

17 Related Party Disclosures

S No.	Name of the related party	Relationship	Nature of transaction	Transactions For the 12 Month Period Ended Mar 31, 2019 GBP	Receivable / (Payable) As At Mar 31, 2019 GBP	Transactions For the 12 Month Period Ended Mar 31, 2019 INR	Receivable / (Payable) As At Mar 31, 2019 INR	Transactions For the 12 Month Period Ended Mar 31, 2018 GBP	Receivable / (Payable) As At Mar 31, 2018 GBP	Transactions For the 12 Month Period Ended Mar 31, 2018 INR	Receivable / (Payable) As At Mar 31, 2018 INR
(i)	Xchanging Solutions Limited, India	Holding company									
			Expenses reimbursed / incurred to / for related party	-		-		15,058		1,376,966	
			Payments made / received	-		-		(29,201)		(2,670,317)	
			Trade Receivables / (Payable) at the end of the period		-		-		-		-
(ii)	Xchanging Solutions (USA) Inc.	Fellow subsidiary									
			Expenses reimbursed / incurred to / for related party	-		-		299		27,354	
			Payments made / received	-		-		(6,296)		(575,734)	
			Trade Receivables / (Payable) at the end of the period		-		-		-		-
(iii)	Xchanging Global Insurance Solutions	Fellow subsidiary									
			Expenses reimbursed / incurred to / for related party	(4,211)		(378,542)		(980)		(89,661)	
			Payments made / received	4,211		378,542		(8,660)		(791,880)	
			Trade Receivables / (Payable) at the end of the period		-		-		-		-
(iv)	LPSO Limited	Fellow subsidiary									
			Expenses reimbursed / incurred to / for related party	-		-					
			Payments made / received	-		-		(19,680)		(1,799,663)	
			Trade Receivables / (Payable) at the end of the period		-		-		-		-
(v)	Spikes Cavell Analytics Limited	Fellow subsidiary									
			Expenses reimbursed / incurred to / for related party	-		-					
			Payments made / received	-		-		(71)			
			Trade Receivables / (Payable) at the end of the period		-		-		-		-
(vi)	Xchanging Technology Services Ltd	Fellow subsidiary									
			Expenses reimbursed / incurred to / for related party	7,658		686,382		146,526		13,399,255	
			Payments made / received	(30,323)		(2,725,944)		(165,954)		(15,175,845)	
			Trade Receivables / (Payable) at the end of the period		-		-		22,666		2,072,695

Manish Sidana & Associates
New Delhi
Chartered Accountants

Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

17 Related Party Disclosures

S No.	Name of the related party	Relationship	Nature of transaction	Transactions For the 12 Month Period Ended Mar 31, 2019 GBP	Receivable / (Payable) As At Mar 31, 2019 GBP	Transactions For the 12 Month Period Ended Mar 31, 2019 INR	Receivable / (Payable) As At Mar 31, 2019 INR	Transactions For the 12 Month Period Ended Mar 31, 2018 GBP	Receivable / (Payable) As At Mar 31, 2018 GBP	Transactions For the 12 Month Period Ended Mar 31, 2018 INR	Receivable / (Payable) As At Mar 31, 2018 INR
(vii)	Xchanging UK Ltd.	Fellow subsidiary									
			Expenses reimbursed / incurred to / for related party	-		-		(17,620)		(1,611,247)	
			Payments made / received	-		-		22,325		2,041,578	
			Trade Receivables / (Payable) at the end of the period		-		-		-		-
(viii)	Xchanging International	Fellow subsidiary									
			Expenses reimbursed / incurred to / for related party	-		-					
			Payments made / received	-		-		(47,145)		(4,311,236)	
			Trade Receivables / (Payable) at the end of the period		-		-		-		-
(ix)	CSC Computer Sciences Ltd.	Related Party									
			Expenses reimbursed / incurred to / for related party	(18,679)		(1,679,145)		(142,788)		(13,057,468)	
			Payments made / received	18,679		1,679,145		142,788		13,057,468	
			Trade Receivables / (Payable) at the end of the period				-		-		-

Munish Sidana & Associates * Chartered Accountants * New Delhi

Xchanging Solutions (Europe) Ltd.

Notes forming part of the financial statements

18 Leases
Operating/Finance Lease commitments

The Company has no operating/finance lease arrangement.

19 Board of Xchanging Solutions Limited ('Holding Company") has approved reduction of share capital of the Company, wholly owned subsidiary from £2,664,278 divided into 2,664,278 shares of £1 each, to £1 divided into 1 share of £1 each and that the amount of the reduction be credited to the distributable reserves of the Company.

The Company reduced its share capital to 1 share of £ 1 each on 15th May 2019. The Company has declared and paid dividend to Holding Company on 20th May 2019. After the payment of dividend, the Board of the Company has recommended to the shareholder that the Company be placed into liquidation. Shareholder approval of the same required.

20 Previous year comparatives
The Financial statements of the previous year have been restated and reclassified where necessary to conform to the current year's presentation.

As per our report of even date

For Munish Sidana & Associates
Chartered Accountants

Munish Sidana & Associates New Delhi Chartered Accountants

Munish Sidana
Prop.
M. No. 099005
FRN: 020294N

Place: New Delhi
Date: May 21, 2019

For and on behalf of the Board of Directors of
Xchanging Solutions Europe Ltd

Director