Xchanging Solutions Limited

**ANNUAL REPORT 2019-20** 

# **Shareholder Information**

# **XCHANGING SOLUTIONS LIMITED**

Registered office: Kalyani Tech Park - Survey No 1, 6 & 24, Kundanhalli Village, K R PuramHobli, Bangalore – 560066

Tel:+9180 43640000

Registered office till July 31, 2019 - SJR I-Park, Plot No. 13, 14, 15, EPIP Industrial Area, Phase I, Whitefield, Bangalore – 560066

For Corporate reports and Company News, visit our website at: <a href="http://www.xchanging.com/investor-relations/xsl-content">http://www.xchanging.com/investor-relations/xsl-content</a>

## STOCK EXCHANGES

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

## 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**

1.	Boards' Report	3
2.	Management Discussion and Analysis	28
3.	Corporate Governance Report	33
4.	Business Responsibility Report	50
5.	Standalone Financial Statements	59
6.	Consolidated Financial Statements	106
7.	Form AOC-1	154
8.	Notice	155

# **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 & COMPLIANCE OFFICER

Aruna Mohandoss Tel +91 804364000 E-mail: compliance@xchanging.com

# STATUTORY AUDITORS

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

# REGISTERED OFFICE REGISTRAR AND TRANSFER AGENT

Kalyani Tech Park -Survey No 1, 6 & 24,

Kundanhalli Village, K R Puram, Hobli, Bangalore – 560066, Karnataka

Phone: +91 80 43640000

Email: compliance@xchanging.com Website: www.xchanging.com CIN: L72200KA2002PLC030072 KFin Technologies Private Limited, Selenium Tower B, Plot 31 - 32 Gachibowli, Financial District,

Nanakramguda, Hyderabad - 500 032, Telangana

Phone: 040-67162222 Fax: 040-23001153

Email: einward.ris@kfintech.com Website: www.kfintech.com

# LIST OF ALL ANNEXURES

## A. BOARDS' REPORT

**Annexure –I** Particulars of contract/arrangements with related parties (Form AOC-2)

**Annexure – II** Secretarial Audit Report (Form MR – 3)

Annexure –III Remuneration to Directors / KMP / Employees

**Annexure–IV** Certificate of Non-disqualification of Director

**Annexure –V** Annual Report on CSR activities of the Company

Annexure -VI Conservation of Energy, Research and Development,

Technology Absorption, Foreign Exchange Earning and Outgo

**Annexure –VII** Extract of Annual Return (Form MGT – 9)

# **B. CORPORATE GOVERNANCE REPORT**

**Annexure – A** Compliance Certificate

**Annexure – B** Certificate on Corporate Governance Report

Dear Shareholders,

The Board of Directors ("Board") is pleased to present the Nineteenth Annual Report and the Audited Financial Statement of the Xchanging Solutions Limited ("Company") for the financial year ended March 31, 2020.

## A. FINANCIAL RESULTS

The highlights of standalone and consolidated financial results of the Company for the financial year ended March 31, 2020 and March 31, 2019 are as under:

(INR in Lakhs)

PARTICULARS	STAN	DALONE	CONSOLIDATED		
	For the Financial year ended Mar 31, 2020	For the Financial year ended Mar 31, 2019	For the Financial year ended Mar 31, 2020	For the Financial year ended Mar 31, 2019	
Total Income	5,838	6,405	19,494	19,865	
Total Expenditure	3,205	3,974	13,565	14,185	
Profit before Interest, Depreciation and Tax	2,710	2,469	6,073	5,728	
Depreciation & Amortization	77	37	144	47	
Finance Costs	11	1	13	1	
Profit / (Loss) before Tax	2,633	2,431	5,929	5,680	
Income Tax (including deferred tax)	364	784	459	1,009	
Net Profit / (Loss) after Tax	2,269	1,647	5,470	4,671	
Other Comprehensive Income/(Expenditure)	3	25	818	293	
Total Comprehensive Income/(Expenditure)	2,272	1,672	6,288	4,964	
Earnings/(Loss) per share Rs.	2.04	1.48	4.91	4.19	

#### **B. REVIEW OF OPERATIONS**

During the financial year ended March 31, 2020, the consolidated income of the Company was Rs.19,494/- Lakhs as against Rs. 19,865/- Lakhs during the previous year ended March 31, 2019. At a standalone level, the total income of the Company for the financial year ended March 31, 2020 amounted to Rs.5,838/- Lakhs compared to Rs. 6,405/- Lakhs during the previous year ended March 31, 2019.

# C. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the financial year ended March 31, 2020 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.

#### **E. TRANSFER TO RESERVES**

During the financial year under review, the Company has not transferred any amount to the General Reserve.

#### F. SUBSIDIARY COMPANIES

Your Company has 3 (three) direct subsidiaries and 2 (two) step down subsidiaries for the financial year ended March 31, 2020.

During the period under review, the Board of the Company had 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. 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. The Board of Directors of the Company approved liquidation of XSEL on May 23, 2019 and the liquidation is still under process.

Except as mentioned above, during the financial year ended March 31, 2020 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 being uploaded on website of the Company <a href="http://www.xchanging.com/investor-relations/xsl-content">http://www.xchanging.com/investor-relations/xsl-content</a> for inspection by the shareholders. 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. <a href="http://www.xchanging.com/investor-relations/xsl-content">http://www.xchanging.com/investor-relations/xsl-content</a>.

## G. RELATED PARTY TRANSACTIONS

All Related Party Transactions are 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 <a href="http://www.xchanging.com/investor-relations/xsl-content">http://www.xchanging.com/investor-relations/xsl-content</a>. 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 16<sup>th</sup> 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 16<sup>th</sup> AGM till the conclusion of the 20<sup>th</sup>

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 19th Annual General Meeting.

The Statutory Auditors had carried out audit of financial statements of the Company for the financial year ended March 31, 2020 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 for the financial year ended March 31, 2020 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.

#### (iii) Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors and the Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

# I. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

Details of loans, Guarantees and Investments 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 Rao Boddoju, Managing Director and Chief Executive Officer
- b) Mr. Shrenik Kumar Champalal, Whole Time Director and Chief Financial Officer
- Mr. Mayank Jain, Company Secretary (resigned w.e.f. October 31, 2019)
- d) Ms. Aruna Mohandoss, Company Secretary (appointed w.e.f. November 13, 2019)

## (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

In accordance with the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules, are appended to this Report as **Annexure III** 

As per the provisions of Section 136(1) of the Act, the reports and accounts are being sent to the Members of the Company excluding the information regarding employee remuneration as required pursuant to Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. None of the employees listed in the said information is related to any Director of the Company. Any Member interested in obtaining such information may write an email to the Company Secretary compliance@xchanging.com and the same will be furnished on such request.

The Board of Directors affirm that the remuneration paid to employees of the Company is as per the Remuneration Policy of the Company.

# L. BOARD AND COMMITTEES

## (i) Directors

As on March 31, 2020, the Board of Directors comprises of six directors out of which 2 are Executive Directors, 3 are Independent Directors and 1 is Non-Executive-Non-Independent Director.

Based on the recommendation of the Nomination and Remuneration Committee, Mr. Venkatesh Shastry and Mrs. Rama NS were appointed as the Independent Directors in the last 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 gets 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 was approved in the last 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 re-appointment. Your Board of Directors recommend her re -appointment.

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.

# (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 paid to the Directors is in line with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The relevant Policy(ies) have been uploaded on the website of the Company and can be accessed through the link <a href="http://www.xchanging.com/investor-relations/xsl-content">http://www.xchanging.com/investor-relations/xsl-content</a>.

# (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, 2020, a separate meeting of the Independent Directors of the Company was held on May 23, 2019 without the attendance of Non-Independent Directors and the Management team.

During their meeting held on May 23, 2019, 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 <a href="http://www.xchanging.com/investor-relations/xsl-content.">http://www.xchanging.com/investor-relations/xsl-content.</a>

## (vi) Audit Committee

This Committee comprises the following Directors viz. Mr. Henry D'Souza (Chairman of the Committee), Mr. Venkatesh Shastry, Mrs. Rama NS and Mr. Shrenik Kumar Champalal. The Company Secretary acts as the Secretary to the Committee. Details of the Audit Committee have been provided in Corporate Governance Report.

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 confirm that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2020, 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, 2020 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, 2020; and
- 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, 2020.

#### 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. During the year under review, the Board of Directors based on the recommendation of the Audit Committee has amended the Whistle Blower Policy to inter alia, enable employees to report incidents of leak or suspected leak of unpublished price sensitive information in line with the changes made in the SEBI (Prohibition of Insider Trading) Regulations, 2015. As per the Whistle Blower Policy implemented by the Company, the Employees, Directors, customers, dealers, vendors, suppliers, or any Stakeholders associated with the Company are free to report illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes of Conduct or Corporate Governance Policies or any improper activity to the Chairman of the Audit Committee of the Company. During the year under review, no complaint pertaining to the Company was received under the Whistle Blower Policy. 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. The internal financial control system of the Company is supplemented with internal audits, regular reviews by the management and checks by external auditors. The Audit Committee ensures adequacy of the system. The Statutory Auditors of the Company also provide their opinion on the internal financial control framework of the Company.

During the year under review, no material or serious observation has been highlighted for inefficiency or inadequacy of such controls.

# (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, 2020:

- a) No. of complaints filed during the financial year: Nil
- b) No. of complaints disposed of during the financial year: Nil
- Number of complaints pending as on end of the financial year: Nil

The Company has complied with provisions relating to the 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 <a href="http://www.xchanging.com/investor-relations/xsl-content">http://www.xchanging.com/investor-relations/xsl-content</a>.

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. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2) of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/10/2015 dated November 4, 2015, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective forms part of this Annual Report.

The Business Responsibility Report forms part of the Annual Report and can also be accessed on the Company's website at http://www.xchanging.com/investor-relations/xsl-content

#### Q. OTHER DISCLOSURES

## (i) Share Capital

There was no change in the paid- up share capital of the Company. As on March 31, 2020, 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) Promoter holding and Minimum Public shareholding

The promoter holding in the Company was 90.80% as at the year end March 31, 2019 due to open offers in prior years.

During the period under review, Xchanging Technology Services India Private Limited ("XTSI"), one of the Promoter Group Company sold 17,599,461 equity shares (15,839,515 Equity Shares sold on June 10, 2019 and 1,759,946 Equity Shares sold on June 11, 2019) of the Company through offer for sale. With the conclusion of the offer for sale, the shareholding of the Promoter and Promoter Group has been brought down to 75%, maintaining minimum public shareholding to 25% as required under Regulation 38 of SEBI (LODR) Regulations, 2015.

## (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, 2020 in Form MGT - 9 is attached herewith as **Annexure –VII** and forms part of this Report and can also be accessed on the Company's website at <a href="http://www.xchanging.com/investor-relations/xsl-content">http://www.xchanging.com/investor-relations/xsl-content</a>

#### (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 Act.

# (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 Registered Office of the Company has been changed 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 information included in the Boards' Report including Annexures to Board's Report, Management Discussion and Analysis and Corporate Governance Report including annexures thereon

#### For Consolidated:

The Parent Company's (Xchanging Solutions Limited) Board of Directors is responsible for 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

# (ix) Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

#### (x) Significant and material orders

During the Financial Year 2019-20, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future. Further, no penalties have been levied by the SEBI or any other regulator during the year under review.

# (xi) Listing

Equity Shares of your Company are listed on National Stock Exchange of India Ltd. and BSE Ltd. Your Company has paid required listing fees to Stock Exchanges for FY 2020-21.

#### (xii) Maintenance of Cost Records

The maintenance of cost records, for the services rendered by the Company, is not required pursuant to Section 148 (1) of the Act read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

# (xiii) Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certificate

In terms of the Listing Regulations, the certificate, as prescribed in Part B of Schedule II of the said Regulations, has been obtained from Mr. Chandrasekhara Rao Boddoju, Managing Director & Chief Executive Officer and Mr. Shrenik Kumar Champalal, Whole Time Director & Chief Financial Officer, for the Financial Year 2019-20 with regard to the Financial Statements and other matters. The said

Certificate is attached herewith as **Annexure – B** and forms part of Corporate Governance Report.

## **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 Managing Director & Chief Executive Officer Shrenik Kumar Champalal Whole Time Director & Chief Financial Officer

Place: Bangalore Date: May 22, 2020

## 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 subsection (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 22, 2020 Shrenik Kumar Champalal
Whole Time Director & Chief Financial Officer

Annual Report 2019-20 Xchanging Solutions Limited

# MR-3 Secretarial Audit Report

For the Financial period ended 31st March 2020 [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

Kalyani Tech Park, Survey No. 1, 6 & 24, Kundanhalli Village, K R Puram, Hobli, 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 2020 (Commencing from April 1, 2019 to March 31, 2020), 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 21, 2020 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 2020 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;
    - VIII. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period); and
    - IX. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2. I, further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records, on test check basis, management confirmation in pursuance thereof, the Company has complied with Information Technology Act, 2000 and the rules made there under, applicable specifically to the Company and general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, as applicable to the Company, during the financial year 01 April 2019 to 31 March 2020.

# Annexure - II to Boards' Report

- 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 (hereinafter referred as 'Secretarial Standards'). We noted that the Company is generally regular in complying with the Secretarial Standards; 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") (collectively hereinafter referred as 'the Stock Exchanges').
- 4. During the period under review, to the best of my knowledge and belief and according to the information and explanations given to me, the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned above, to the extent applicable.
- 5. We further report that compliance of applicable financial laws including Direct and Indirect Tax Laws by the Company has not been reviewed in this audit since the same has been subject to review by the Statutory Auditors.
- 6. 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 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. Decisions of Board/Committee were carried through majority. 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.

#### **Promoters Holding and Minimum Public Shareholding**

The promoter holding in the Company was 90.80% as at the YE March 31, 2019 due to open offers in prior years.

The BSE, vide its letter dated April 16, 2019, communicated to the Company that based upon Company's presentation & submission on "Promoters Holding and Minimum Public Shareholding" and with regards to aforesaid facts, "the Company has time to comply with the requirement of Minimum Public Shareholdings under Regulation 38 of SEBI (LODR) Regulations, 2015 till June 10, 2019. Further, the BSE withdrawn its letters dated October 17, 2018 and November 29, 2018 issued to the Company, in which it had levied fine of Rs. 19,29,300/- on the subject matter and it advised the Company to comply Regulations 38 of SEBI (LODR) Regulations, 2015 by June 10, 2019.

Accordingly, during the period under review, Xchanging Technology Services India Private Limited ("XTSI"), one of the Promoter Group Company sold 17,599,461 equity shares (15,839,515 Equity Shares sold on June 10, 2019 and 1,759,946 Equity Shares sold on June 11, 2019) of the Company through offer for sale. With the conclusion of the offer for sale, the shareholding of the Promoter and Promoter Group has been brought down to 75%, maintaining minimum public shareholding to 25% as required under Regulation 38 of SEBI (LODR) Regulations, 2015.

**Note:** Due to COVID-19 outbreak worldwide and lockdown imposed by Government of India and respective State Governments since March 24, 2020 till date of this report, we have not been able to do process audit and physical verification of certain books, papers, minute books, forms and returns filed and other records maintained by the Company and same have been verified electronically on emails.

# Ankush Agarwal & Associates Company Secretaries

# **Ankush Agarwal**

Proprietor

Membership No: F9719

Certificate of Practice No: 14486 UDIN: F009719B000265931

Place: Noida Date: May 21, 2020

# Annexure -A to Secretarial Audit Report dated May 21, 2020

To,
The Members,
Xchanging Solutions Limited
Kalyani Tech Park, Survey No. 1, 6 & 24,
Kundanhalli Village, K R Puram, Hobli,
Bangalore, Karnataka – 560 066
[CIN: L72200KA2002PLC030072]

My Secretarial Audit Report dated May 21, 2020 is to be read with this letter.

- 1. The compliance of provisions of all laws, rules, regulations and standards applicable to **Xchanging Solutions Limited** ('the **Company**') is the responsibility of the management of the Company. My examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
- 2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. My responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
- 3. 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 the purpose of issue of the Secretarial Audit Report.
- 4. 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.
- 5. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
- 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 UDIN: F009719B000265931

Place: Noida Date: May 21, 2020

# 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 & Chief Executive Officer	*NA
Shrenik Kumar Champalal - Whole Time Director & Chief Financial Officer	5.14

<sup>\*</sup> Did not draw remuneration during FY 19-20.

(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, 2020
Chandrasekhara Rao Boddoju - Managing Director & Chief Executive Officer	-
Shrenik Kumar Champalal - Whole Time Director & Chief Financial Officer	-
Mayank Jain - Company Secretary (resigned w.e.f. October 31, 2019)	-
Aruna Mohandoss – Company Secretary (appointed w.e.f. November 13, 2019)	-

There is no increase in the remuneration of the Directors. Above said Company Secretaries were appointed or resigned during the year. Since the information is for part of the year, the same is not comparable.

- (iii) The percentage increase in the median remuneration of employees in the financial year ended March 31, 2020: 5%
- (iv) The number of permanent employees on the rolls of Company: 164
- (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 183 to 164 and total salaries (including wages & bonus) from Rs 2,361/-Lakhs of the previous year to Rs 1,859/- Lakhs for the current 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 there is no increase in the remuneration of the Managerial personnel(s).
- (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

Shrenik Kumar Champalal
Whole Time Director & Chief Financial Officer

Place: Bangalore Date: May 22, 2020

Annual Report 2019-20

# 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 Kalyani Tech Park, Survey No. 1, 6 & 24, Kundanhalli Village, K R Puram, Hobli, 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 Kalyani Tech Park, Survey No. 1, 6 & 24, Kundanhalli Village, K R Puram, Hobli, 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. 2020 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 UDIN: F009719B000263491

Place: Noida Date: May 21, 2020

# **Corporate Social Responsibility**

#### **Annual**

Annual Report of Corporate Social Responsibility (CSR) Activities for the Financial Year ending March 31, 2020:

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: <a href="http://www.xchanging.com/">http://www.xchanging.com/</a> 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 1035.33 lakhs
- 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs 20.70 lakhs
- 5. Details of CSR spent during the financial year:
  - a) Total amount to be spent for the financial year: Rs 20.70 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 programmes: i) Local area or other ii) Specify the State or District where the projects or programmes was undertaken	Amount outlay (Budget) project or programmes wise	Amount spent on project or programmes: Subhead:	Cumulative expenditure up to the date of reporting	Amount spent: Direct or through implementing agencies
1.	To provide Education to underprivileged children	Promoting education, including special education	Bangalore, Karnataka	20.70	20.70	20.70	Through a registered trust-U&I Trust for the underprivileged
	Total			20.70	20.70	20.70	

#### 1. U&I Trust

U&I is a Trust registered under I.T. Act 1961 having its Registered Office at 8/1, Gover Road, Opp. St. Peter's Church, Cox Town, Bangalore - 560005, India. U&I is a non-governmental organization that works towards education of 2000+ underprivileged children across 20 cities of 9 states in India.

U&I invests in the education of underprivileged children. It is completely volunteer driven and currently has 2600+ volunteers teaching courses in English and providing tutoring support with a student-teacher ratio of 1:1. U&I manages 59 learning centres across 20 cities of 9 states in India. U&I also runs Child Enrichment Programmes that help with the holistic growth of students and enable them to have better career opportunities. U&I Teach has positively impacted 8000+ underprivileged children.

15

Annual Report 2019-20 Xchanging Solutions Limited

# Annexure – V to Boards' Report

- 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**Managing Director & Chief Executive Officer

Henry D'Souza Chairman-CSR Committee

Place: Bangalore Date: May 22, 2020

# 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)

17

Particulars	March 31, 2020	March 31, 2019
Total Foreign Exchange earnings	3006	3,895
Total foreign Exchange outgo	224	283

Annual Report 2019-20 Xchanging Solutions Limited

# EXTRACT OF ANNUAL RETURN FORM MGT -9

(AS ON THE FINANCIAL YEAR ENDED ON March 31, 2020)
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:

and contact details

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 : Kalyani Tech Park - Survey No 1, 6 & 24

Kundanhalli Village, K R Puram Hobli,

Bangalore - 560066

Telephone no.: +91 80 4364 0000 Email id: compliance@xchanging.com

vi) Whether listed company Yes / No : Yes

vii) Name, Address and Contact : KFin Technologies Private Limited

details of Registrar and Transfer Agent 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:-

		NIC Code of the Product/service	% to total turnover of the company
No.	main products/services		
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 (Singapore) Pte Limited, Singapore	NA	Subsidiary	100.00	2(87)
4.	Xchanging Solutions (Europe) Limited, UK (Company is under Liquidation)	NA	Subsidiary	100.00	2(87)
5.	Xchanging Solutions (Malaysia) Sdn Bhd, Malaysia (Company is under Liquidation)	NA	Step-down Subsidiary	100.00	2(87)
6.	Nexplicit Infotech India Private Limited (Company is under 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	43149461	0	43149461	38.73	25550000	0	25550000	22.93	15.8
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): -	43149461	0	43149461	38.73	25550000	0	25550000	22.93	-15.80
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)	101152248	0	101152248	90.80	83552787	0	83552787	75.00	15.80
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	300	0	300	0.00	5330618	0	5330618	4.78	4.78
b) Banks / FI	404112	0	404112	0.36	410655	0	410655	0.37	0.01
c) Central Govt/State Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) Foreign Portfolio Investors	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) Foreign Institutional Investors	0	0	0	0.00	39100	0	39100	0.04	0.04
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
j) Others (Qualified Institutional Buyer)	0	0	0	0.00	15400	0	15400	0.01	0.01
Sub-total (B)(1)	404412	0	404412	0.36	5795773	0	5795773	5.20	4.84

Annual Report 2019-20 Xchanging Solutions Limited

19

Category of Shareholders			es held at the of the year			No. of Shares end of the			% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a Bodies Corp.	972265	10937	983202	0.88	8878717	10937	8889654	7.98	7.10
b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs. 1 lakhs	3599388	84746	3684134	3.31	4718086	83646	4801732	4.31	1.00
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakhs	2094236	0	2094236	1.88	5194950	0	5194950	4.66	2.78
c) Others									
Clearing Members	12558	0	12558	0.01	61475	0	61475	0.06	0.05
Foreign Corporate 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	23623	5527	29150	0.03	59512	5527	65039	0.06	0.03
NRI non-repatriation	22531	0	22531	0.02	21281	0	21281	0.02	0.00
Overseas corporate bodies	300	0	300	0.00	300	0	300	0.00	0.00
NBFC	100	0	100	0.00	30000	0	30000	0.03	0.03
Trusts	221	0	221	0.00	1	0	1	0.00	0.00
Qualified ForeignInvestor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(B)(2)	9745846	101210	9847056	8.84	21955046	100110	22055156	19.80	10.96
Total Public Shareholding (B)=(B) (1)+(B)(2)	10150258	101210	10251468	9.20	27750819	100110	27850929	25.00	15.80
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)	111302506	101210	111403716	100.00	111303606	100110	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	38948299	34.96	Nil	21348838	19.16	Nil	-15.80		
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		lding at the g 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	38948299	34.96	38948299	34.96	
	Sold 15,839,515 Equity Shares on June 10, 2019; and	-	-	23108784	20.76	
	Sold 1,759,946 Equity Shares on June 11, 2019	-	-	21348838	19.16	
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	Туре	Increase/ Decrease in share holding	Reason	Cumu Shareh during t	olding
		No of Shares	% of total shares of the company					No of Shares	% of total shares of the company
1	ABAKKUS GROWTH FUND-1	0	0.00	30/03/2019	Opening Balance			0	0.00
				14/06/2019	Purchase	3769426	Transfer	3769426	3.38
				08/11/2019	Purchase	5000	Transfer	3774426	3.39
				03/01/2020	Purchase	9458	Transfer	3783884	3.40
				31/01/2020	Sale	-21566	Transfer	3762318	3.38
				31/03/2020	Closing Balance			3762318	3.38
2	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED	0	0.00	30/03/2019	Opening Balance			0	0.00
				14/06/2019	Purchase	3210448	Transfer	3210448	2.88
				31/03/2020	Closing Balance			3210448	2.88

Annual Report 2019-20 Xchanging Solutions Limited

21

22

S.	Name of the	Shareholdi	ng at the	Date	Туре	Increase/	Reason	Cumu	lative
No.	Shareholder	beginning			.,,,,,	Decrease		Shareh	
						in share		during t	he Year
						holding			
		No of Shares	% of total shares					No of Shares	% of total shares
		Silales	of the					Silales	of the
			company						company
3	KATRA FINANCE LIMITED	3008287	2.70	30/03/2019	Opening Balance			3008287	2.70
				31/03/2020	Closing			3008287	2.70
				31/03/2020	Balance			3000207	2.70
4	MISRILALL MINES PRIVATE LIMITED	0	0.00	30/03/2019	Opening Balance			0	0.00
				14/06/2019	Purchase	1800000	Transfer	1800000	1.62
				28/06/2019	Purchase	51000	Transfer	1851000	1.66
				20/03/2020	Purchase	10000	Transfer	1861000	1.67
				31/03/2020	Closing Balance			1861000	1.67
5	EDELWEISS MULT STRATEGY INVESTMENT TRUST-EDELWE	0	0.00	30/03/2019	Opening Balance			0	0.00
				14/06/2019	Purchase	1100000	Transfer	1100000	0.99
				31/03/2020	Closing Balance			1100000	0.99
6	EUREKA COMMODITY BROKERAGE PVT. LTD.	0	0.00	30/03/2019	Opening Balance			0	0.00
				14/06/2019	Purchase	1193378	Transfer	1193378	1.07
				20/09/2019	Sale	-100000	Transfer	1093378	0.98
				11/10/2019	Purchase	100000	Transfer	1193378	1.07
				01/11/2019	Sale	-150000	Transfer	1043378	0.94
				08/11/2019	Sale	-300000	Transfer	743378	0.67
				31/01/2020	Sale	-6391	Transfer	736987	0.66
				21/02/2020	Sale	-98	Transfer	736889	0.66
				13/03/2020	Sale	-25000	Transfer	711889	0.64
				31/03/2020	Purchase	175000	Transfer	886889	0.80
				31/03/2020	Closing Balance			886889	0.80
7	GLOBE CAPITAL MARKET LIMITED	580203	0.52	30/03/2019	Opening Balance			580203	0.52
				05/04/2019	Sale	-5000	Transfer	575203	0.52
				12/04/2019	Sale	-40	Transfer	575163	0.52
				10/05/2019	Purchase	100	Transfer	575263	0.52
				17/05/2019	Sale	-100	Transfer	575163	0.52
				14/06/2019	Purchase	70853	Transfer	646016	0.58
				14/06/2019	Sale	-9900	Transfer	636116	0.57
				21/06/2019	Sale	-100	Transfer	636016	0.57
				28/06/2019	Purchase	92	Transfer	636108	0.57
				05/07/2019	Purchase	4358	Transfer	640466	0.57

S. No.	Name of the Shareholder	Shareholdi beginning		Date	Туре	Increase/ Decrease in share holding	Reason	Cumu Shareh during t	olding
		No of Shares	% of total shares of the company			Holding		No of Shares	% of total shares of the company
				05/07/2019	Sale	-4358	Transfer	636108	0.57
				12/07/2019	Purchase	801	Transfer	636909	0.57
				12/07/2019	Sale	-4358	Transfer	632551	0.57
				19/07/2019	Purchase	598	Transfer	633149	0.57
				19/07/2019	Sale	-598	Transfer	632551	0.57
				26/07/2019	Purchase	12551	Transfer	645102	0.58
				26/07/2019	Sale	-548	Transfer	644554	0.58
				02/08/2019	Sale	-50	Transfer	644504	0.58
				30/08/2019	Sale	-3749	Transfer	640755	0.58
				06/09/2019	Sale	-301	Transfer	640454	0.57
				13/09/2019	Sale	-2075	Transfer	638379	0.57
				20/09/2019	Purchase	28058	Transfer	666437	0.60
				20/09/2019	Sale	-28305	Transfer	638132	0.57
				27/09/2019	Sale	-28150	Transfer	609982	0.55
				30/09/2019	Sale	-342	Transfer	609640	0.55
				04/10/2019	Purchase	20826	Transfer	630466	0.57
				18/10/2019	Purchase	1607	Transfer	632073	0.57
				25/10/2019	Purchase	1000	Transfer	633073	0.57
				01/11/2019	Purchase	11951	Transfer	645024	0.58
				01/11/2019	Sale	-20109	Transfer	624915	0.56
				08/11/2019	Sale	-24461	Transfer	600454	0.54
				15/11/2019	Purchase	10000	Transfer	610454	0.55
				22/11/2019	Purchase	7193	Transfer	617647	0.55
				29/11/2019	Purchase	6680	Transfer	624327	0.56
				06/12/2019	Purchase	24776	Transfer	649103	0.58
				06/12/2019	Sale	-4676	Transfer	644427	0.58
				13/12/2019	Sale	-82744	Transfer	561683	0.50
				20/12/2019	Purchase	2606	Transfer	564289	0.51
				20/12/2019	Sale	-327	Transfer	563962	0.51
				27/12/2019	Purchase	150	Transfer	564112	0.51
				31/12/2019	Sale	-150	Transfer	563962	0.51
				17/01/2020	Purchase	1000	Transfer	564962	0.51
				24/01/2020	Purchase	4200	Transfer	569162	0.51
				31/01/2020	Sale	-50000	Transfer	519162	0.47
				14/02/2020	Purchase	15264	Transfer	534426	0.48
				21/02/2020	Purchase	5077	Transfer	539503	0.48
				28/02/2020	Purchase	4871	Transfer	544374	0.49
				28/02/2020	Sale	-50	Transfer	544324	0.49
				06/03/2020	Purchase	14022	Transfer	558346	0.50
				13/03/2020	Purchase	400	Transfer	558746	0.50
				20/03/2020	Purchase	877	Transfer	559623	0.50
				27/03/2020	Sale	-2519	Transfer	557104	0.50

Annual Report 2019-20 Xchanging Solutions Limited 23

S. No.	Name of the Shareholder	Shareholdir beginning o		Date	Туре	Increase/ Decrease in share holding	Reason	Cumu Shareh during t	olding
		No of Shares	% of total shares of the company					No of Shares	% of total shares of the company
				31/03/2020	Sale	-3358	Transfer	553746	0.50
				31/03/2020	Closing Balance			553746	0.50
8	ABAKKUS EMERGING OPPORTUNITIES FUND-1	0	0.00	30/03/2019	Opening Balance			0	0.00
				14/06/2019	Purchase	428357	Transfer	428357	0.38
				02/08/2019	Purchase	3543	Transfer	431900	0.39
				06/09/2019	Purchase	8100	Transfer	440000	0.39
				20/03/2020	Purchase	25000	Transfer	465000	0.42
				27/03/2020	Purchase	3000	Transfer	468000	0.42
				31/03/2020	Closing Balance			468000	0.42
9	LIFE INSURANCE CORPORATION OF INDIA	388382	0.35	30/03/2019	Opening Balance			388382	0.35
				31/03/2020	Closing Balance			388382	0.35
10	EUREKA STOCK AND SHARE BROKING SERVICES LIMITED -	0	0.00	30/03/2019	Opening Balance			0	0.00
				30/08/2019	Purchase	120000	Transfer	120000	0.11
				20/09/2019	Sale	-20000	Transfer	100000	0.09
				11/10/2019	Sale	-100000	Transfer	0	0.00
				01/11/2019	Purchase	150000	Transfer	150000	0.13
				08/11/2019	Purchase	300000	Transfer	450000	0.40
				27/12/2019	Purchase	25000	Transfer	475000	0.43
				03/01/2020	Purchase	25000	Transfer	500000	0.45
				14/02/2020	Sale	-25000	Transfer	475000	0.43
				06/03/2020	Purchase	20000	Transfer	495000	0.44
				13/03/2020	Purchase	25000	Transfer	520000	0.47
				27/03/2020	Purchase	183698	Transfer	703698	0.63
				31/03/2020	Purchase	300000	Transfer	1003698	0.90
			-	31/03/2020 31/03/2020	Sale Closing	-673698	Transfer	330000 330000	0.30
				31/03/2020	Balance			330000	0.30

<sup>\*</sup>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.	Henry D'Souza	NIL
2.	Venkatesh Shastry	NIL
3.	Chandrasekhara Rao Boddoju	NIL
4.	Rama NS	NIL
5.	Kalpana Tatavarti	NIL
6.	Shrenik Kumar Champalal	1
7.	Aruna Mohandoss	NIL

# 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	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
Change in Indebtedness during the financial year <b>Principal</b>				
Addition	-	-	-	-
Reduction	2,98,888	-	-	2,98,888
Interest				
Reduction	16,112	-	-	16,112
<ul><li>Net Change</li><li>Principal</li><li>Interest</li></ul>	2,98,888 16,112	-	-	2,98,888 16,112
Indebtedness at the end of the financial year i) Principal Amount	_	_	_	_
ii) Interest due but not paid iii) Interest accrued but not due	-	- - -	- - -	- - -
Total (i+ii+iii)	-	-	-	-

Annual Report 2019-20 Xchanging Solutions Limited

25

# 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	-	47.94	-	47.94	
	(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)	-	47.94	-	47.94	
	Ceiling as per the Act	It is in accordance with the ceiling as specified und section 197 of the Companies Act, 2013.				

# B. Remuneration to other directors:

(INR in Lakhs)

S. No.	Particulars of Remuneration	Name of Directors					
		Henry D Souza	Rama NS	Venkatesh Shastry	Kalpana Tatavarti	Total Amount	
1	Independent Directors  • Fee for attending board committee meetings  • Commission	40.00	10.00	7.00		00.00	
	Others, please specify	10.20	10.20	7.80	N.A	28.20	
	Total (1)	10.20	10.20	7.80	N.A	28.20	
2	Other Non-Executive Directors  • Fee for attending board committee meetings  • Commission  • Others, please specify	N.A	N.A	N.A	7.20	7.20	
	Total (2)	N.A	N.A	N.A	7.20	7.20	
	Total (B)= (1+2)	10.20	10.20	7.80	7.20	35.40	
	Total Managerial Remuneration	N.A	N.A	N.A	N.A	N.A	
	Overall Ceiling as per the Act	It is in accor Act, 2013	dance with th	ne ceiling as sp	ecified under	Companies	

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

S.	Particulars of Remuneration			Key Manageria	l Personnel	
No.		CEO#	Compan	y Secretary	CFO#	Total
			Mayank Jain*	Aruna Mohandoss®		
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	7.74	5.90	-	13.64
	(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	-	7.74	5.90	-	13.64

<sup>\*</sup> Mr. Mayank Jain resigned as Company Secretary w.e.f. October 31, 2019

# 7. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Annual Report 2019-20 Xchanging Solutions Limited

27

<sup>&</sup>lt;sup>®</sup> Ms. Aruna Mohandoss was appointed as Company Secretary w.e.f. November 13, 2019

<sup>#</sup> CEO & CFO being the Executive Directors their remuneration details are mentioned in table 6A above

# MANAGEMENT DISCUSSION AND ANALYSIS

#### **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, ultimate holding 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 75% of the outstanding share capital of the Company.

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

The IT-BPM sector grew by 7.7% y-o-y garnering a total revenue of USD 191 billion in FY 2020. IT Services sector garnered the revenue of USD 97 billion (growth of 6.7%). The sector generated exports of over USD 147 billion in revenues in FY 2020, growing at 8.1% from the previous year. [\*Source: National Association of Software and Services Companies (NASSCOM)].

India's IT industry is expected to contribute 10 per cent of India's GDP by 2025 and India's digital economy is estimated to reach US\$ 1 trillion by 2025. Artificial Intelligence and machine learning will contribute to US\$1 trillion to Indian economy by 2035. The global sourcing market in India continues to grow at a higher pace compared to the IT-BPM industry. Indian IT & ITeS companies have set up over 1,000 global delivery centres in about 80 countries across the world. The revenue from digital segment is expected to comprise 38 per cent of the forecasted US\$ 350 billion industry revenue by 2025.

IT industry is fueling the growth of start-ups in India, with the presence of around 5,300 tech start-ups in India. India's highly qualified talent pool of technical graduates is one of the largest in the world, facilitating its emergence as a preferred destination for outsourcing, computer science/information technology accounts for the biggest chunk of India' fresh engineering talent pool, with more than 98 per cent of the colleges offering this stream. IT industry employees 4.1 million people as of FY19. [\* Source: India Brand Equity Foundation (IBEF)]

## **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\$ 43.58 billion between April 2000 to December 2019, 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 onshore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. 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)]

#### Covid-19 & IT Sector

Indian IT services industry is expected to see an adverse impact for a short-term due to COVID-19 outbreak with the sector clocking a lower growth of 3-5 per cent in financial year 2020-21. ICRA previously expected the sector to grow at 6-8 per cent. With the slowdown in growth during the first half of 2020-21, the margins will also be negatively impacted before a likely recovery in the next financial year. The credit outlook for Indian IT companies remains stable led by healthy free cash flows cushioning short-term disruptions with significant liquidity in the form of surplus investments generated out of past cash flows [\*Source: ICRA Limited].

## **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.

## **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 signicant 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 signicant 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.

Annual Report 2019-20 Xchanging Solutions Limited

29

	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 signicant impact upon our reputation and proûtability 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.			
	<ul> <li>Investing internally in Group change programmes to improve our shared service centre and support services.</li> </ul>			
	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	Succession plans are in place for senior managers across the business.			
property is one of our key assets.	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.			
	Signicant 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			
	1			

# 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, 2020, the consolidated revenue of your Company was Rs. 18,226 Lakhs against Rs. 18,410 Lakhs during the previous year ended March 31, 2019. Other income of the Company for the current year was Rs. 1,306 Lakhs against Rs. 1,455 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, 2020	For the Financial year ended March 31, 2019
Total Income	19,494	19,865
Total Expenditure	13,565	14,185
Profit before Interest, Depreciation and Tax	6,073	5,728
Depreciation & Amortization	144	47
Finance Costs	13	1
Profit / (Loss) before Tax	5,929	5,680
Income Tax (including deferred tax)	459	1,009
Net Profit / (Loss) after Tax	5,470	4,671
Other Comprehensive Income/(Expenditure)	818	293
Total Comprehensive Income/(Expenditure)	6,288	4,964
Earnings / (Loss) per share Rs.	4.91	4.19

# 3. Geographic Profile

(INR. in lakhs)

Geography	March :	31, 2020	March 31, 2019		
	Revenue	%	Revenue	%	
Europe	1,345	7.38%	1,790	9.72%	
USA	10,209	56.01%	9,692	52.64%	
India	1,068	5.86%	1,308	7.10%	
Singapore	5,163	28.33%	5,212	28.31%	
Rest of the World	441	2.42%	408	2.22%	
Total	18,226	100%	18,410	100%	

# 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 2019-2020.

# 5. Key Financial Ratios

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

S.	Particulars	Standalone		е	Reason for Variance		
No.		Mar' 20,	Mar' 19	Variance			
1	Debtors Turnover	5.24	5.85	-0.61	There is no significant change		
2	Current Ratio	4.57	3.33	1.24	Change in ratio is mainly due to receipt of dividend income from wholly owned subsidiary, repayment of loan by fellow subsidiary, reclass of loan to fellow subsidiaries from non-current to current and reduction in current liabilities.		
3	Operating Profit Margin	25.20%	23.64%	1.56%	There is no significant change		
4	Net Profit Margin	53.14%	31.65%	21.48%	Variance is mainly due to reversal of earlier years income tax provision and receipt of dividend income from wholly owned subsidiary.		
5	Return on Net Worth	10.52%	8.40%	2.12%	Return on Net worth is higher mainly due to increased growth in profit for the period as compared to growth in average net worth.		

Annual Report 2019-20 Xchanging Solutions Limited

# **Management Discussion and Analysis**

#### Note:

- (1) Interest Coverage ratio is not relevant for the Company as it has negligible debt during the financial year.
- (2) Debt Equity ratio is not relevant for the Company as it has nil debt as at March 31, 2020.
- (3) 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 164 employees on its rolls as of March 31, 2020.

# CORPORATE GOVERNANCE REPORT

#### 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, 2020 comprised of 6 (Six) Directors of which 4 (four) are Non – Executive Directors including two women directors. The Chairman is an Executive Director (Managing Director and CEO) as on March 31, 2020. The number of Independent Directors on the Board is 3 (three). 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, 2020 – other than Xchanging Solutions Limited ("the Company") is as under:

Name of the Director	DIN	Category in the Company	N		ctorships in c companies <sup>1</sup>	ships in other committee committee positions held in other public companies²			No. of equity shares held in XSL as on March 31, 2020	
			Listed	Name of the Listed Company	Category of Directorship	Unlisted	Chairman	Member		
Henry D'Souza	00276157	Non-Executive Independent Director	0	NA	NA	0	0	0	0	
Venkatesh Shastry	08277771	Non-Executive Independent Director	0	NA	NA	0	0	0	0	
Rama NS	06720033	Non-Executive Independent Director	1	Timken India Limited	Non- Executive Independent Director	0	1	1	0	
Kalpana Tatavarti	06644105	Non-Executive Non-Indepen- dent Director	0	NA	NA	0	0	0	0	
Chandrasekhara Rao Boddoju	08185777	Executive Director (Managing Director and CEO)	0	NA	NA	0	0	0	0	
Shrenik Kumar Champalal	08099410	Executive Director (Whole Time Director and CFO)	0	NA	NA	0	0	0	1	

Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act.

None of the Directors of the Company hold directorships in more than twenty (20) companies including in more than ten (10) public companies. In accordance with the Listing Regulations, none of the Directors of the Company hold directorships in more than eight (8) listed companies and independent directorships in more than seven (7) listed companies. The Managing Director of the Company does not hold directorship as an Independent Director in any other listed company. Also, none of the Directors is serving as a member of more than ten (10) committees or as the chairman of more than five (5) committees in accordance with the requirements of the Listing Regulations. None of the Directors are related to each other. Necessary disclosures regarding committee positions in other public companies as at the end of financial year have been made by the Directors.

33

Annual Report 2019-20 Xchanging Solutions Limited

<sup>&</sup>lt;sup>2</sup> The information pertaining to the chairmanships/memberships of Committees of the Board held by the directors includes only Audit Committee and Stakeholders' Relationship Committee.

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

The Board meetings are held at regular intervals to consider, discuss and approve inter alia, the unaudited and audited standalone and consolidated financial results of the Company, to decide on business policy/strategy of the Company, risk management, competitive scenario, etc. The Board/Committee meetings are pre-scheduled and tentative dates of such meetings are informed well in advance to facilitate the Directors to plan their schedule. The Company also provide an option to its Directors to participate at each of the Board/Committee meetings through video conference. The Company adheres to the Secretarial Standards on the Board Meetings as prescribed by the Institute of Company Secretaries of India.

During the financial year ended March 31, 2020, total 4 (four) Board Meetings were held on the following dates – May 23, 2019; August 13, 2019; November 13, 2019 and February 12, 2020. The gap between two meetings did not exceed 120 days. These meetings had good attendance. The last AGM of the Company held on August 13, 2019.

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
Henry D'Souza	Independent Director	4	Nil	Yes
Venkatesh Shastry	Independent Director	3	1	Yes
Rama NS	Independent Director	4	Nil	Yes
Kalpana Tatavarti	Non-Executive Director	4	Nil	Yes
Chandrasekhara Rao Boddoju	Executive Director	4	Nil	Yes
Shrenik Kumar Champalal	Executive Director	4	Nil	Yes

#### C. Meetings of Independent Directors

During the financial ended March 31, 2020, a separate meeting of the Independent Directors of the Company was held on May 23, 2019 without the attendance of Non-Independent Directors and the Management team.

During their meeting held on May 23, 2019, 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

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. Further, in the opinion of the Board, all the Independent Directors of the Company, fulfil the conditions specified under the Act and the SEBI Listing Regulations, and are independent of the management.

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.

#### **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 <a href="http://www.xchanging.com/investor-relations/xsl-content">http://www.xchanging.com/investor-relations/xsl-content</a>.

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, 2020. 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. The Board is satisfied with the board evaluation carried out for the year and there is no previous & current year's observation and action.

The criteria of the 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 <a href="http://www.xchanging.com/">http://www.xchanging.com/</a> investor-relations/xsl-content.

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

The Company's Board comprises qualified members who bring in required skills, competence and expertise that allow them to make effective contribution to the Board and its Committees. The Directors are committed to ensure that the Company is in compliance with the Corporate Governance. In accordance with Regulation 34(3) read with Part C of Schedule V of SEBI Listing Regulations, below is the summary of core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and which are taken into consideration while nominating candidates to serve on the Board of the Company:

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	<ul> <li>Qualifications and experience in accounting and/or finance and the ability to:</li> <li>Analyze key financial statements;</li> <li>Critically assess financial viability and performance;</li> <li>Contribute to strategic financial planning;</li> </ul>
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.

	Areas of expertise					
Director	Strategy and planning	Governance (including policy)	Finance	Commercial/ Business Development	Information Technology	
Chandrasekhara Rao Boddoju MD & CEO	✓	✓	✓	<b>✓</b>	✓	
Shrenik Kumar Champalal WTD & CFO	<b>✓</b>	✓	✓	<b>✓</b>	✓	
Henry D'Souza Independent Director	✓	✓	✓	<b>✓</b>	✓	
Venkatesh Shastry Independent Director	<b>✓</b>	✓	-	<b>✓</b>	<b>✓</b>	
Rama NS Independent Director	<b>✓</b>	✓	✓	<b>✓</b>	✓	
Kalpana Tatavarti Non-executive Director	✓	✓	-	<b>✓</b>	✓	

35

# 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 <a href="http://www.xchanging.com/investor-relations/xsl-content.">http://www.xchanging.com/investor-relations/xsl-content.</a>

#### **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, 2020

The Non-Executive Independent Directors are paid compensation in the following manner:

- Sitting Fees of INR 60,000/- for attending Board and INR 60,000/- for attending Committee Meeting.
- None of the Non-Executive Independent Directors have any pecuniary relationship with the Company.
- None of the Non-Executive Independent Directors holds any equity shares of the Company.
- None of the Non-Executive Independent Directors hold any convertible instruments in the Company.
- Payment of reimbursement of expenses incurred by Non-Executive Independent Directors for participation in the Board and other meetings of the Company.

The remuneration and sitting fee paid to the Non-executive directors during the financial year ended March 31, 2020 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 year ended March 31, 2020	Commission for the financial year ended March 31, 2020, provided as payable in the accounts of the Company for the year under review	No. of Equity Shares held as on March 31, 2020
Henry D'Souza	10.20	Nil	Nil
Venkatesh Shastry	7.80	Nil	Nil
Rama NS	10.20	Nil	Nil
Kalpana Tatavarti	7.20	Nil	Nil

# C. Remuneration paid/payable to Executive Director (Whole-time Director/Managing Director) for the financial year ended March 31, 2020

Following Remuneration was paid to whole-time director/Managing Director during the financial year ended March 31, 2020. 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		(INR in Lakhs)				Contract	Shares held
Executive Director	Salary	Commission	Company's contribution to Funds	Perquisites & Allowance	Total	Period	as on March 31, 2020
Managing Director	-	-	-	-	-	For 3 years with effect from August 9, 2018	-
Whole Time Director	47.94	-	-	-	47.94	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:

SI. No.	Name of the Director	Chandrasekhara Rao Boddoju, Managing Director	Shrenik Kumar Champalal, Whole Time Director
(a)	Salary, benefits, bonuses, stock options, pension etc.	Salary not exceeding INR 36 lakhs per annum.	Salary not exceeding INR 60 Lacs per annum
		Reimbursement of travel and out of pocket expenses incurred for business purpose of the Company.	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:
  - 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.

## **Corporate Governance Report**

- 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;
- 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;
- 20. 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;
- 21. 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; and
- 22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### 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
  - 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.

## **Corporate Governance Report**

- 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
- Venkatesh Shastry
- Rama NS
- 4. Shrenik Kumar Champalal

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

Company Secretary acts as the Secretary of the Audit Committee.

During the financial year ended March 31, 2020, 4 (Four) meetings of the Audit Committee were held, the dates being May 23, 2019; August 13, 2019; November 13, 2019 and February 12, 2020.

## The attendance for the Audit Committee meetings is as follows:

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Henry D'Souza	Chairman	4	Nil
Venkatesh Shastry	Member	3	1
Rama NS	Member	4	Nil
Shrenik Kumar Champalal	Member	4	Nil

The previous Annual General Meeting of the Company was held on August 13, 2019 and the Chairman of the Audit Committee was present at the Annual General Meeting of the Company. All recommendations 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 Section 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
- 2. Henry D'Souza
- 3. Rama NS
- 4. Kalpana Tatavarti

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

Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

During the financial year ended March 31, 2020, 2 (two) meetings of the Nomination and Remuneration Committee were held, the dates being May 23, 2019 and November 13, 2019.

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

Name of the Member of committee	Position	No. of Meetings	Leave of
		Attended	Absence granted
Venkatesh Shastry	Chairman	2	Nil
Henry D'Souza	Member	2	Nil
Rama NS	Member	2	Nil
Kalpana Tatavarti	Member	2	Nil

The previous Annual General Meeting of the Company was held on August 13, 2019 and the Chairman of the Nomination & Remuneration Committee was present at the Annual General Meeting of the Company. All recommendations 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:

- 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
- 3. Rama NS
- 4. Kalpana Tatavarti
- 5. Shrenik Kumar Champalal

Mr. Henry D'Souza is the Chairman of the Stakeholder Relationship Committee.

Company Secretary acts as the Secretary of the Stakeholder Relationship Committee.

During the financial year ended March 31, 2020, 4 (four) meetings of Stakeholders Relationship Committee were held, the dates being May 23, 2019; August 13, 2019; November 13, 2019 and February 12, 2020.

## 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
Henry D'Souza	Chairman	4	Nil
Venkatesh Shastry	Member	3	1
Rama NS	Member	4	Nil
Kalpana Tatavarti	Member	4	Nil
Shrenik Kumar Champalal	Member	4	Nil

During the financial year ended March 31, 2020, 2 (Two) complaints of the shareholders were received and resolved in a timely manner. There are no pending investor complaints as on March 31, 2020.

The previous Annual General Meeting of the Company was held on August 13, 2019 and the Chairman of the Stakeholder Relationship Committee was present at the Annual General Meeting of the Company. All recommendations of the Stakeholder Relationship Committee were accepted by the Board.

#### Name, designation and address of Compliance Officer

#### Ms. Aruna Mohandoss

Compliance Officer

**Registered office:** Kalyani Tech Park Survey No 1, 6 & 24, Kundanhalli Village, K R Puram Hobli, Bangalore – 560066

**Tel:** +91 804364000

E-mail: compliance@xchanging.com

## 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 the 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
- 3. Venkatesh Shastry
- 4. Kalpana Tatavarti
- 5. Shrenik Kumar Champalal

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

Company Secretary acts as the Secretary of the Corporate Social Responsibility Committee.

During the financial year ended March 31, 2020, 2 (two) meetings of the CSR Committee were held; the dates being May 23, 2019 and February 12, 2020.

# 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
Henry D'Souza	Chairman	2	Nil
Venkatesh Shastry	Member	1	1
Rama NS	Member	2	Nil
Kalpana Tatavarti	Member	2	Nil
Shrenik Kumar Champalal	Member	2	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
August 13, 2019	10 AM	Kalyani Tech Park- Survey No 1, 6 & 24, Kundanhalli Village, K R Puram Hobli, Bangalore - 560066	<ol> <li>Approval for re-appointment of Mr. Henry D'Souza as an Independent Director of the Company.</li> <li>Approval for appointment of Mr. Venkatesh Venkatasubba Ramanandashastry Shastry ("Venkatesh Shastry") as an Independent Director of the Company</li> <li>Approval for appointment of Mrs. Nonavinakeri Srinivasaiyengar Rama ("Rama NS") as an Independent Director of the Company</li> </ol>	1. Henry D'Souza 2. Venkatesh Shastry 3. Rama NS 4. Kalpana Tatavarti 5. Chandrasekhara Rao Boddoju 6. Shrenik Kumar Champalal
September 26, 2018	10 AM	SJR I-Park, Plot No. 13, 14, 15, EPIP Industrial Area, Phase I Whitefield, Bangalore – 560 066	<ol> <li>Approval for appointment &amp; remuneration of Mr. Shrenik Kumar Champalal as Whole Time Director of the Company.</li> <li>Approval for appointment &amp; remuneration of Mr. Chandrasekhara Rao Boddoju as Managing Director of the Company.</li> <li>Approval for appointment &amp; remuneration of Mr. Ramaswamy Sankaranarayanan Kavalapara as Managing Director (Interim) of the Company.</li> <li>Determine the fees for delivery of any document through a particular mode of delivery to a member.</li> </ol>	
September 13, 2017	10 AM	SJR I-Park, Plot No. 13, 14, 15, EPIP Industrial Area, Phase I Whitefield, Bangalore – 560 066	Approval for appointment of Mr. Srikrishna Madhavan as Managing Director of the Company for a period of 3 (three) years.	Ashok Kumar Ramanathan     Henry D'Souza     Srikrishna Madhavan     Rekha Murthy

# B. Extraordinary General Meeting & Postal Ballot

No Extraordinary General Meeting or postal ballot was conducted during the financial year ended March 31, 2020.

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

# **Corporate Governance Report**

- iii. The Familiarization Programme for Independent Directors as approved by the Nomination and Remuneration Committee of the Company is available at <a href="http://www.xchanging.com/investor-relations/xsl-content">http://www.xchanging.com/investor-relations/xsl-content</a>
- 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 <a href="http://www.xchanging.com/investor-relations/xsl-content.">http://www.xchanging.com/investor-relations/xsl-content.</a>
  - 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 had levied fine of Rs.5,000/- each for one (1) day delay in filing of the financial results for the quarter ended September 30, 2018. Company had paid said fine.
- v. In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted a 'Code of Conduct to regulate, monitor and report trading by designated persons in listed or proposed to be listed securities' of your Company ("the Code"). The Code aims at preserving and preventing misuse of unpublished price sensitive information. All Designated Persons (including Directors, Key Managerial Personnel and employees) of your Company are covered under the Code, which provides inter alia for periodical disclosures and obtaining pre-clearances for trading in securities of your Company. The Code is also available at the website of the Company at <a href="http://www.xchanging.com/investor-relations/xsl-content">http://www.xchanging.com/investor-relations/xsl-content</a>.
- vi. The Company has received few routine explanations/letters from the stock exchanges and replied accordingly within prescribed time.
- vii. 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. The Vigil Mechanism / Whistle Blower Policy is available on the website of the Company at http://www.xchanging.com/investor-relations/xsl-content.
- viii. The Company has not raised funds through preferential allotment or qualified institutions placement during the last year.
- ix. The Company has not adopted a treatment different from that prescribed in accounting standards.
- x. 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.
- xi. 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.
- xii. 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.
  - The Board has taken cognizance of the discretionary requirements as specified in Part E of Schedule II of Regulation 27(1) of the SEBI Listing Regulations and are being reviewed from time to time which are as follows:
  - **a.** Audit Qualifications: During the year under review, there is no audit qualification in your Company's Financial Statements nor has there been a matter of emphasis made during the year. Your Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.
  - b. The Board and separate posts of the Chairperson and the Chief Executive Officer: During the year under review, the Managing Director & Chief Executive Officer of the Company has been appointed as the designated Chairperson of the Board.
  - **c. Reporting of Internal Auditor:** The internal control systems of the Company are routinely tested and veried by Internal Auditors and signicant audit observations and follow-up actions are reported to the Audit Committee.
  - d. Shareholder's Right: The quarterly results of the Company are published in English newspaper (generally Financial Express) and a local daily (generally Sanjevani) having wide circulation in Bangalore. Further, the quarterly and half yearly results are also posted on the website of the Company at <a href="http://www.xchanging.com/investor-relations/xsl-content.">http://www.xchanging.com/investor-relations/xsl-content.</a>
- xiii. The Board of Directors have accepted all recommendations of its committees.
- xiv. 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.
- xv. 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 the Annual Report.

# **Corporate Governance Report**

- xvi. 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
- xvii. The Company does not deal in commodity and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.
- xviii. Disclosure with respect to demat suspense account / unclaimed suspense account-Not Applicable

#### 8. MEANS OF COMMUNICATION:

The quarterly, half yearly 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 <a href="http://www.xchanging.com/investor-relations/xsl-content">http://www.xchanging.com/investor-relations/xsl-content</a>.

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

The Company has designated an email id exclusively for its shareholders viz., <a href="mailto:compliance@xchanging.com">compliance@xchanging.com</a> for the purpose of registering complaints by investors.

#### 9. GENERAL SHAREHOLDERS' INFORMATION:

#### 1. Annual General Meeting

Date and Time : Wednesday, September 23, 2020 and 10:00 A.M. IST

Venue\* : Kalyani Tech Park. - Survey No 1, 6 & 24, Kundanhalli Village,

K R Puram Hobli, Bangalore - 560 066

\*Since the Company is conducting 19th AGM through VC / OAVM pursuant to the MCA General Circulars numbers 14/2020, 17/2020 & 20/2020 and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India on May 5, 2020 and, therefore, as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of 19th AGM. Accordingly, the deemed venue of AGM shall be Registered Office of the Company.

#### 2. Financial Calendar

The financial calendar of the Company is reproduced below:

Annual General Meeting	September 23, 2020
Results for quarter ending June 30, 2020	August 2020
Results for quarter ending September 30, 2020	November 2020
Results for quarter ending December 31, 2020	February 2021
Results for year ending March 31, 2021	May 2021

3. Book closure : September 17, 2020 to September 23, 2020 (both days inclusive)

4. Cut-off Date : September 16, 2020

5. Dividend payment date : NA, since the Company has not declared any dividend

## 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 2020-2021, has been paid to the above Stock Exchanges.

The annual custodial fee of CDSL for the year 2020-2021 will be paid within prescribed time and invoice from NSDL is yet to be received.

Scrip Code:

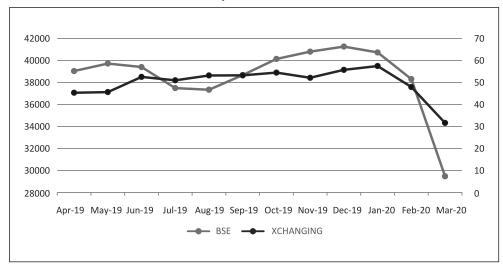
NSE : XCHANGING BSE : 532616

#### 7. Market Price Data

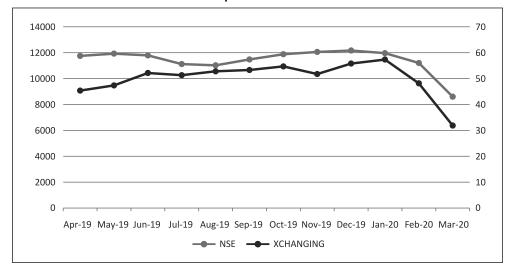
The monthly high and low share prices on both the exchanges for a period starting from April 2019 to March 2020 are as below:

Month & Year	Share price of Xchanging Solutions Limited (NSE)				price of Xcha	
	High (Rs.)	Low (Rs.)	Close (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)
April 2019	48.35	43.55	45.35	48	43	45.3
May 2019	49.5	42.6	47.35	53.45	42.7	45.6
June 2019	56.4	45.05	52.15	55.75	43	52.5
July 2019	54.75	47	51.3	64	47.3	50.95
August 2019	55	44.4	52.8	54.5	45.9	53.15
September 2019	58.6	51.1	53.3	56.15	48	53.2
October 2019	57.95	51.3	54.7	56.45	50.35	54.45
November 2019	58.6	50.3	51.75	58.45	51	52.1
December 2019	60.2	50.65	55.8	60.25	51.5	55.7
January 2020	64.9	51.9	57.35	65	53.25	57.45
February 2020	58.65	47.65	48.15	58.85	47.65	47.9
March 2020	50	24.9	31.85	49	25	31.6

# 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:** KFin Technologies Private Limited

Selenium Tower B, Plot 31-32, Gachibowli,

Financial District, Nanakramguda, Hyderabad – 500 032.

Phone: +91 40 6716 2222 Fax +91 40 2300 1153

Email: <u>einward.ris@kfintech.com</u> Website: <u>www.kfintech.com</u>

## 11. Share Transfer System:

Transfer of shares in physical form is processed by the Company's Registrar and Transfer Agents (RTA) within fifteen days from the date of lodgement, provided the documents therefor are complete in all respects. All requests for transfer/transmission in physical form after they are processed by the RTA are submitted to the Company for approval. As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Shareholders have been intimated that effective April 01, 2019; transfer of shares shall not be processed unless the shares are held in the dematerialized form with the depository. Periodic reminders were sent to the Shareholders, who held the shares in the physical form, to convert them in dematerialised mode to avoid any inconvenience in future regarding the transferability of the shares. Shareholders who wish to understand the procedure for dematerialisation of shares may contact the Company or its RTA or visit the following link:

NSDL website: https://nsdl.co.in/faqs/faq.php

CDSL website: https://www.cdslindia.com/investors/open-demat.aspx

## 12. Shareholding Pattern

## a. Categories of Shareholding as on March 31, 2020

Category	No. of Shares held	% of shareholding
Promoters	83,552,787	75.00
Banks, Fls, Insurance Companies, Mutual Funds	410,955	0.37
Fils	-	-
Corporate Bodies	8,889,654	7.98
Indian Public	9,136,776	8.20
NRIs/OCBs/Foreign National/Clearing member	139,251	0.12
Others	9,274,293	8.32
Grand Total	111,403,716	100.00

## b. Distribution of Shareholding as on March 31, 2020

S. No.	No. of shares	No. of shareholders	% of total shareholders	No. of shares	% to equity
1	1 - 5000	16290	97.67	3774542	3.39
2	5001 - 10000	172	1.03	1399605	1.26
3	10001 - 20000	110	0.66	1647575	1.48
4	20001 - 30000	39	0.23	977719	0.88
5	30001 - 40000	18	0.11	661416	0.59
6	40001 - 50000	9	0.05	417933	0.38
7	50001 - 100000	14	0.08	1083745	0.97
8	100001 and above	26	0.16	101441181	91.06
	TOTAL	16678	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, 2020, 111,303,606 shares representing 99.91% of the Company's total shares were held in dematerialized form and the balance 100,110 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 of the Company	Registrars and Transfer Agent of the Company
Xchanging Solutions Limited Kalyani Tech Park - Survey No 1, 6 & 24, Kundanhalli Village, K R Puram Hobli, Bangalore – 560066, Karnataka, India. Phone +91 80 4364 0000 Email: compliance@xchanging.com	KFin Technologies Private Limited Selenium Tower B, Plot 31 - 32 Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Phone +91 40 6716 2222 Fax +91 40 2300 1153 Email: einward.ris@kfintech.com Website: www.kfintech.com

#### 17. No. of shares traded during the Financial Year ended March 31, 2020:

BSE: 13,27,171 Shares NSE: 125,57,979 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** 

## ANNEXURE-A TO CORPORATE GOVERNANCE REPORT

## **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, 2020 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, 2020;
  - (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

Place: Bangalore Date: May 22, 2020 Shrenik Kumar Champalal
Whole Time Director & Chief Financial Officer

## ANNEXURE-B TO CORPORATE GOVERNANCE REPORT

#### CERTIFICATE ON CORPORATE GOVERNANCE REPORT

To, The Members Xchanging Solutions Limited Bangalore

We have examined the compliance of conditions of Corporate Governance by **Xchanging Solutions Limited** ("the Company"), for the financial year ended March 31, 2020 as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

We further state that such compliance is neither an assurance as to the 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 UDIN: F009719B000263500

Place: Noida Date: May 21, 2020

## **BUSINESS RESPONSIBILITY REPORT**

In accordance with the Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report of Xchanging Solutions Limited ("the Company"/"XSL") for the financial year 2019-20 is presented below.

The Company's Business Responsibility Report (BRR) is in line with principles of National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs.

The Company's policy framework includes various codes and policies such as Employees' Code of Conduct, Corporate Social Responsibility Policy, Whistle Blower Policy, Code for Fair Practices and Procedures for disclosure of Unpublished Price Sensitive Information etc., which are framed to enable the Company to comply with the statutory and regulatory requirements and ensure that its operations are conducted in an ethical, transparent and accountable manner. The disclosures presented in this Report cover the operations of the Company. The Business Responsibility Report of the Company is also available on its website at <a href="http://www.xchanging.com/investor-relations/xsl-content">http://www.xchanging.com/investor-relations/xsl-content</a>.

#### **SECTION A:**

#### **GENERAL INFORMATION ABOUT THE COMPANY**

1.	Corporate Identity Number (CIN) of the Company	L72200KA2002PLC030072
2.	Name of the Company	Xchanging Solutions Limited ("the Company")
3.	Registered and Corporate office address	Kalyani Tech Park, Survey No. 1, 6 & 24, Kundanhalli Village, K R Puram, Hobli, Bangalore, Karnataka - 560 066
4.	Website	http://www.xchanging.com/investor-relations/xsl-content
5.	E-mail id	compliance@xchanging.com
6.	Financial Year Reported	April 1, 2019 to March 31, 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Computer programming activities - NIC Code: 6201
8.	List of key products/services that the Company provides	IT Software, IT Hardware & ITES
9.	Total number of locations where business activity is undertaken by the Company	2 overseas + 2 India locations
(I)	Number of International Locations	2
(II)	Number of National Locations	As at March 31, 2020, the Company has 2 Offices in India.
10.	Markets served by the Company	India, USA and Singapore

#### **SECTION B:**

## FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital	Rs. 111,40,37,160/- (as on March 31, 2020)
2.	Total Turnover	Rs. 5,838/- Lakhs (as on March 31, 2020)
3.	Total Profit after Taxes	Rs. 2,269/- Lakhs (as on March 31, 2020)
4.	Total spending on Corporate Social Responsibility (CSR) as a percentage of Profit after Tax	2% of average net profit of the Company made during the three immediately preceding financial years. Refer Annexure V to the Boards' Report in the Annual Report.
5.	List of activities in which expenditure in Sr. No. 4 above has been incurred	CSR Activities in the financial year 2019-20 were in the area of education. After school education was provided for community children of Bengaluru. Refer Annexure V to the Boards' Report in the Annual Report.

#### **SECTION C:**

#### OTHER DETAILS OF THE COMPANY

1.	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has 3 (three) direct subsidiaries and 2 (Two) step down subsidiaries for the financial year ended March 31, 2020
2.	Do the subsidiary company/companies participate in the Business Responsibility (BR) initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	As the BR initiatives of the Company are run at global level, all subsidiaries participate in the BR initiatives.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	No

#### SECTION D:

#### **BUSINESS RESPONSIBILITY INFORMATION**

## 1. Details of Director/Directors responsible for Business Responsibility

a. Details of the Director responsible for implementation of the Business Responsibility Policy:

The CSR Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows:

S. No.	Name of the Director	DIN Number	Designation
1	Mr. Henry D'Souza	00276157	Independent Director
2	Mr. Venkatesh Shastry	08277771	Independent Director
3	Mrs. Rama NS	06720033	Independent Director
4	Mrs. Kalpana Tatavarti	06644105	Non-Executive Director
5	Mr. Shrenik Kumar Champalal	08099410	Whole Time Director & CFO

### b. Details of the Business Responsibility Head:

1.	DIN (if applicable)	NA
2.	Name	Mr. Lokendra Kumar Sethi
3.	Designation	Head HR – India
4.	Email	Lokendra.Sethi@dxc.com

# 2. Principle-wise as per National Voluntary Guidelines (NVGs) Business Responsibility Policies:

# NINE PRINCIPLES OF THE NVGS:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3	Businesses should promote the well-being of all employees.
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5	Businesses should respect and promote human rights.
Principle 6	Businesses should respect, protect and make efforts to restore the environment.
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8	Businesses should support inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

52

The principle wise responses are given below:

SI. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Ethics Transpa- rency & Account- ability	Business Lifecycle Sustain- ability	Wellbeing of all employ- ees	Stakeho- Ider's Engage- ment	Human Rights	Protection of Environ- ment	Public Advocacy	Inclusive Growth and equitable develop- ment	ers' Value
1	Is there a policy for	Υ	Υ	Υ	Υ	Υ	Υ	N	Υ	Υ
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	-	Y (Refer Note a)	Y (Refer Note a)
3	Does the policy conform to any national/ international standards? If yes, specify?	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	-	Y (Refer Note a)	Y (Refer Note a)
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Υ	-	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Υ	-	Y	Y
6	Indicate the link for the policy to be viewed online	Y (Refer Note b)	Y (Refer Note b)	- (Refer Note c)	Y (Refer Note b)	- (Refer Note c)	- (Refer Note c)	-	Y (Refer Note b)	- (Refer Note c)
7	Has the policy been formally communicated to all the relevant internal and external stakeholders?	Y	Y	Y	Y	Υ	Υ	-	Y	Y
8	Does the Company have an in-house structure to implement the policy?	Y	Y	Y	Υ	Υ	Υ	-	Υ	Y
9	Does the Company have a grievance redressal mechanism to address stakeholders' grievances related to the policy?	Y	Y	Y	-	Y	-	-	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y (Refer Note 'd')	Y (Refer Note 'd')	Y (Refer Note 'd')	Y (Refer Note 'd')	Y (Refer Note 'd')	Y (Refer Note 'd')	-	Y (Refer Note 'd')	Y (Refer Note 'd')

# Pri	nciple-wise Policies	
P1	Ethics, Transparency & Accountability	The Company's Policy on Code of Conduct for Board Members, Senior Management Personnel and Employees of the Company, Whistle Blower Policy, Code of Conduct for Prevention of Insider Trading, Policy on Sexual Harassment elucidate ethical behaviour, transparency and accountability.
P2	Business Lifecycle Sustainability	The Company promotes a culture where all efforts are directed towards providing good quality and safe products to all our customers.
P3	Well-being of all Employees	The Company has various policies to support employee well-being. The important ones include the Policy for prevention of sexual harassment, leave policy, health insurance policy, term insurance policy, policy on maternity benefits for female employees, policy for ensuring safety of women at workplace, policy on training and education of employees.
P4	Stakeholder's Engagement	The Company's CSR Policy, Shareholders Grievance Redressal mechanism guide this principle.
P5	Human Rights	The Company's Policy on Code of Conduct, Whistle Blower mechanism and Policy on Sexual Harassment encourage a work place environment which is free from any kind of human rights violations.
P6	Protection of Environment	The employees of the Company are sensitized to prevent wasteful usage of natural resources and conserve energy.
P7	Public Advocacy	While the Company may share its expertise to help in the formulation of public policy, it does not directly engage in lobbying or advocacy activities and hence, does not have a specific policy for this purpose.

P8	Inclusive Growth and Equitable Development	The CSR Policy which is focussed on the marginalized and vulnerable section of the society including offering scholarship and financial assistance to meritorious students from underprivileged communities/ disabled, to provide MP3 Player for visually challenged students, developing, augmenting and supporting infrastructure in educational institutions, providing mid-day meals to students of government schools etc.
P9	Customer's Value	The Code of Conduct, Shareholders Grievance Redressal Mechanism, Whistle Blower Policy etc. which have been laid down shall provide a facility to its customers, shareholders and others to record their grievances/ feedback.

#### Notes:

- a. The policies have been formulated in accordance with the applicable laws and regulations and through appropriate consultation with relevant stakeholders and after considering the best practices adopted by the industry.
- b. May include a combination of internal policies of the Company which are accessible to all internal stakeholders and the policies are placed on the Company's website. The hyperlink is <a href="http://www.xchanging.com/investor-relations/xsl-content">http://www.xchanging.com/investor-relations/xsl-content</a>
- c. The policies of the Company are internal documents and are not accessible to the public. The hyperlink is https://dxc.policytech.com
- d. The policies are internally evaluated by various department heads, business heads and the management.
- 3. Governance related to Business Responsibility:
  - a. Indicate the frequency with which the Board of Directors, Committee of the Board assesses the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year

The executive directors and senior management of the Company monitor various aspects of social, environmental, governance and economic responsibilities of the Company on a regular basis.

This is first time that BRR is applicable to the Company and first review was done at the Board Meeting held on 22<sup>nd</sup> May, 2020. Going forward it will be annually reviewed by the Board and be reviewed twice by the CSR committee in a year.

b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

The Company has prepared its first Business Responsibility Report (BRR). The BRR forms part of the Annual Report 2019-20 and is available on the Company's website. The hyperlink is: <a href="http://www.xchanging.com/investor-relations/xsl-content">http://www.xchanging.com/investor-relations/xsl-content</a>

#### **SECTION E: PRINCIPLE-WISE PERFORMANCE**

# PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the group/joint ventures/suppliers/contractors/NGOs/others?

Yes. XSL considers ethical practices as an integral part of good management and is committed to act professionally, fairly and with integrity in all its dealings. The Company has a Policy on Code of Conduct for Board Members, Senior Management Personnel and Employees of the Company, Whistle Blower Policy, Code of Conduct for Prevention of Insider Trading, Policy on Sexual Harassment which governs the conduct of the employees as well as Directors of the Company.

The Whistle Blower Policy specifically covers issues related to ethics, bribery and corruption which has helped it not only gain the tremendous confidence and trust of its stakeholders but also market leadership. The said policy is available on the website of the Company at <a href="http://www.xchanging.com/investor-relations/xsl-content">http://www.xchanging.com/investor-relations/xsl-content</a>.

XSL ensures compliance of ethical standards not only by its employees but also by its vendors, contractors etc. through appropriate clauses in the work contract signed with them.

2. How many stakeholder complaints have been received in the past nancial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.

Details of the stakeholder complaints received during the financial year 2019-20 and pending as on March 31, 2020 are as under

SI. No.	Nature of Complaints	No. of complaints received during the Year	No. of complaints resolved	% of complaints resolved
1	Complaints/ queries received from customers	0	0	NA
2	Investor complaints	2	2	100

During financial year 2019-20, no ethics concerns were received from any of the stakeholders.

# PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE.

List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or
opportunities

XSL is associated with the Computer programming activities and is not engaged in the business concerning design of products / services that could raise social concerns, economic risks and/or hazardous opportunities. Hence, the said principle may not be strictly applicable to XSL. However, XSL through its Business Policy is contributing positively to the socio-economic development.

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
  - a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
  - b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company's focus is to maintain the highest standards of safety and sustainability in its services offered in alignment to Company's goals.

On account of the nature of the services provided, the major resource consumed at the Company is paper. The Company contributes towards sustainable service delivery through paperless transaction. The Company has taken a paper recycling initiative in terms of re-usage of old print outs. The Company also monitor usage of paper consumption. The Company emphasizes on integrating sustainable practices within its value chain (suppliers and customers) through acceptance of payments through Digital/online mode which in turn reduces the paper usage. Vendors are paid through NEFT/RTGS mode.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

The primary resource consumption of the Company is paper. As mentioned above, the Company monitors usage of paper consumption. The Company emphasizes on integrating sustainable practices within its value chain (suppliers and customers) through acceptance of payments through Digital/online mode which in turn reduces the paper usage. Vendors are paid through NEFT/RTGS mode.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

The Company has its presence all over India and has a practice of purchasing goods and services required for its operations from local suppliers. The Company is progressing more towards digital transactions.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).

Yes. The Company's main waste products comprises of paper waste and electronic waste. The Company has taken a paper recycling initiative in terms of re-usage of old print outs. The Company also monitor usage of paper consumption. The Company has a mechanism for responsible disposal of electronic waste in accordance with applicable laws.

#### PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELL BEING OF ALL EMPLOYEES

1	Total Number of Permanent Employees	164
2	Number of Employees hired on Temporary/ Contractual/Casual Basis	NIL
3	Number of Permanent Women Employees	30
4	Permanent Employees with disabilities	NIL
5	Is there an Employee association that is recognized by management?	The Company does not have any employee association.
6	Percentage of permanent employees that are members of this recognised employee association	Not Applicable

1. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

SI. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as at the end of the financial year
1	Child Labour/Forced Labour, Involuntary Labour	Nil	Nil
2	Sexual Harassment	Nil	Nil
3	Discriminatory Employment Practices	Nil	Nil

## 2. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

XSL has always believed that its employees are its most valued resource and hence, has always ensured their all-round development through regular training & leadership programs. The Company has given access to all the employees to the DXC Group university which provides various kind of development and leadership program to the employee.

Given below are the details of training imparted during the year:

1	Permanent employees to whom training has been imparted	22
2	Total training man days per employee	28
3	Permanent women employees to whom training has been imparted	4
4	Casual/Temporary/Contractual Employees to whom training has been imparted	NA
5	Employees with Disabilities to whom training has been imparted	NA

For XSL, safety of its employees is of paramount importance and as a good corporate citizen; it is committed to ensuring safety of all its employees at the workplace. Periodic communication and alerts are sent out to employees and awareness sessions are conducted on safety related aspects. Employees including those at branches were given periodic training on basic and advanced fire safety including evacuation drills.

# PRINICIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

- Has the Company mapped its internal and external stakeholders?
- Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes, XSL has identified the disadvantaged, vulnerable and marginalised stakeholders through community visits, household visits and socio-scientific needs assessments in under-resourced areas. The Company engages with these stakeholders through structured development initiatives, undertaken through its Corporate Social Responsibility (CSR) projects.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, marginalised stakeholders?

XSL as a socially responsible organization, is committed to work for the welfare of the communities around us. The community engagement interventions of the group include:

- A. Education scholarship project for the lesser and underprivileged children
- B. Career Counselling
- C. Aftercare and awareness program for Shelter home children
- D. Govt. School transformation project for holistic development
- E. Slum adoption for holistic sustainable development
- F. Child Resource Center for underprivileged Children
- G. Skilling program for the differently-abled youths in BPO, retail and hospitality

The Company's CSR activities focus on the disadvantaged, vulnerable and marginalised segments of society particularly children, women and the differently abled.

#### PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. Does the policy of the Corporation on human rights cover only the company or extend to the group/joint ventures/suppliers/contractors/NGOs/others?

Respecting and understanding the Human Rights and addressing the potential human rights violation is important responsibility of any organisation. XSL has adopted several policies viz., Code of Conduct, Policy against Sexual Harassment, Whistle Blower Policy, etc., which ensures that there are no violation of human rights in its conduct.

XSL adheres to all statutes which embody the principles of human rights such as non-discrimination, prevention of child labour, prevention of sexual harassment etc. XSL is committed to a work environment in which all individuals are treated with fairness, respect and dignity. Persons not directly connected to the Company viz., an outside vendor, consultant, supplier or client are also expected to comply with principles of human rights in all respects.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the year under review, the Company did not receive any complaint in the nature of human rights violation from any stakeholder.

55

#### PRINCIPLE 6: BUSINESSES SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. Does the policy relate to Principle 6 cover only the company or extends to the group/joint ventures/suppliers/contractors/NGOs/others?

The group has a dedicated Environmental Policy that serves as the guideline for developing initiatives for protecting and restoring environment. This policy is applicable across the Company and its subsidiaries for achieving excellence in environmental performance. This policy also applies to the suppliers, contractors and all other partners across the value chain for addressing the global environmental challenges.

In addition, the employees of the Company are sensitized to prevent wasteful usage of natural resources and conserve energy.

Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?

Yes. The Company strives towards imbibing green sustainable products, processes, policies and practices. We promote cost efficient environment-friendly measures and build awareness and consciousness of our environment among employees. The Company tries to integrate sustainable measures in the day-to-day operations by reduction of paper usage, maintenance of data and records electronically, etc. Various measures are taken to reduce the consumption of electricity by installing energy efficient equipment in our office premises.

3. Does the company identify and assess potential environmental risks?

Yes

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?

Not Applicable

5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.?

XSL promotes ecological sustainability and green initiatives by use of energy efficient resources. The Company also promotes reducing the use of paper communication and encourages use of electronic means of communication which serves towards environmental protection and sustainable growth. XSL has adopted various measures as below:

- Sends various notices and documents, including Annual Report, to its shareholders through electronic mode to their registered e-mail addresses.
- Has requested shareholders to register their e-mail IDs to get Annual Reports and other communications through e-mail instead of opting in paper mode.
- Has provided video conference facilities at most of its offices, thereby facilitating participation in meetings via video conference and avoid commuting and travel. This helps save the fuel on transport as well as time on travel.
- Installation of AC controllers in air-conditioning machines in order to save energy and support the go-green initiative.
- Continue installing energy efficient servers, thereby causing reduction in carbon footprint.
- The Company has initiated installation of LED lights in new and upcoming branches wherever possible
- E-waste is disposed off in proper way.

The above actions of the Company will contribute towards saving environment by reduction in usage of resources.

6. Are the emissions/waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None

# PRINCIPLE 7: BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:

DXC Group as a whole is a member of various industry bodies and trade associations such as NASSCOM, etc.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

No

#### PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

 Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Yes. XSL and the group undertakes several projects that are focused on social development. In Financial Year 2019-20, the Company promoted inclusive growth by focusing primarily on three social sector areas, namely:

#### **Education**

- 1. Career Counselling
- 2. Community Resource Center project for the underprivileged children
- Education scholarship project for the lesser and underprivileged children
- 4. Aftercare and awareness program for the shelter home children
- 5. Govt. School transformation project for holistic development
- 6. Higher Education project for the disabled and the underprivileged students to continue their education
- 7. Networked learning centers technology based hub and spoke model

## Skilling

- 1. Skilling program for the differently-abled youths in BPO, retail and hospitality.
- 2. Career development centers to train youth in IT/Non-IT industry
- 3. Skilling for women at Indore villages

## People and wellness

- 1. Conducting blood donation camps
- 2. Mobile health units for gynecology checkup of women at rural
- 3. Mobile health units for general health checkup at rural
- 4. Slum adoption project for holistic sustainable development
- 5. Transitional shelter home support for marginalized families

#### **Environment**

- 1. Providing flood relief kit to the flood-affected families
- 2. Lake restoration project
- 3. Rain Water Harvesting and awareness program
- 2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?

XSL has undertaken its social welfare activities for financial year 2019-20 through external NGO U&I Trust as a CSR initiative.

3. Has the company done any impact assessment of its initiative?

Yes. we have a CSR management committee which monitor and assess the impact of all the CSR spends

4. What is the company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

In financial year 2019-20, XSL had a CSR Budget of Rs.20.70 Lacs and has spent the entire amount on After School education of community children in Bengaluru City.

For more details, please refer to Annexure V of Boards' Report in this Annual Report.

5. Has the company taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes. Projects are designed based on the assessment of community needs. The Initiatives taken by XSL are regularly monitored through follow-up with the partnering organisations, site visits to monitor the programme, and progress reports for the activities undertaken by the project. Regular interaction with the partnering organisation and the community has helped in ensuring that best practices are adopted and also addressing any challenges for the successful implementation of such initiatives.

# PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

- 1. What percentage of customer complaints/consumer cases are pending as at the end of the financial year?

  None
- 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks

Not applicable

- 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?
  None
- 4. Did the company carry out any consumer survey/ consumer satisfaction trends?

The Company has not carried out any formal consumer survey to map consumer satisfaction.

#### INDEPENDENT AUDITOR'S REPORT

# 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, 2020, 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, 2020, 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.

#### **Emphasis of Matter**

We draw attention to Note 3.1 (v) of the standalone financial statements which describes the management assessment of the impact of the outbreak of Covid-19 on revenue, trade receivables including unbilled receivables and investments. The management believes that no adjustment is required in the financial statement as it does not impact the current financial year. However, in view of highly uncertain economic environment and its likely effect on future service revenue due to Covid-19, a definitive assessment of the impact on the subsequent periods is dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

## **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 **Principal Audit Procedures** subsidiary We performed the following procedures: As described in Note 7 of the Standalone Financial Evaluated the design of internal controls relating to statements, the carrying amount of investment in US development of key assumptions used in value in use model subsidiary recorded is Rs. 11.224 lakhs. The Company and tested operating effectiveness of these controls. recognized impairment loss of Rs. 6,045 lakhs as at gaining an understanding of and assessing the impairment March 31, 2020. testing process implemented by Management. The Company identifies whether an impairment verifying the appropriateness of the model used to calculate indication occurs every year and performs impairment value in use as per discounted cash flow method. test over investment in subsidiary and compares the analysing the consistency of cash flow forecasts with carrying amount with the greater of the calculated Management's latest estimates presented to the Board of value-in-use and fair value used to determine whether Directors as part of the budget process. it is impaired. In estimating the value-in-use, comparing the cash flow forecasts for financial years 2021 management's judgment is involved in determining to 2025 with the business plans used for prior year the key assumptions such as sales growth rate, impairment testing. discount rate and terminal growth rate that have a assessing the methods used to calculate the discount rate significant impact on the estimated value-in-use. applied to the estimated cash flows expected, as well as Considering significant degree of judgment in the terminal growth rate used to project the latest. We also estimating value-in-use and likelihood of management involved our internal valuation specialist in evaluating bias, we identified assessment of impairment on management's assessment. investment in subsidiary as a key audit matter.

Annual Report 2019-20 Xchanging Solutions Limited

59

Sr. No.	Key Audit Matter	Auditor's Response
		<ul> <li>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.</li> </ul>
		<ul> <li>assessing sensitivity testing of value in use to a change in the main assumptions used by Management.</li> </ul>
2.	Evaluation of uncertain tax positions	Principal Audit Procedures
	The Company has material uncertain tax positions including matters under dispute which involves significant judgment due to existence of multiple	<ul> <li>Evaluated the design of internal controls relating to the uncertain tax positions and tested the operative effectiveness of these controls.</li> </ul>
	Refer Notes 3.1 (ii) and 20 to the Standalone financial statements.	<ul> <li>Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from the management.</li> </ul>
		<ul> <li>We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes.</li> </ul>
		<ul> <li>Our internal experts also considered the 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, 2019 to evaluate whether any change was required to management's position on these uncertainties.</li> </ul>

#### 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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) UDIN: 20022156AAAAAM1467

Chennai, May 22, 2020

62

#### 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, 2020 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

63

were operating effectively as at March 31, 2020, 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) UDIN: 20022156AAAAAM1467

Chennai, May 22, 2020

#### 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. Pursuant to the program, all property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The Company does not have any immovable properties of freehold land and building. In respect of immovable properties of building that have been taken on lease and disclosed as property, plant and equipment in the standalone financial statements, the lease agreements are in the name of the Company.
- (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, 2020 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, 2020 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, 2020 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	493 (**)
			Financial year 2014-15	606

<sup>(\*)</sup> Net of Rs. 39 lakhs paid under protest

<sup>(\*\*)</sup> 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) UDIN: 20022156AAAAAM1467

Chennai, May 22, 2020

Annual Report 2019-20

66

# XCHANGING SOLUTIONS LIMITED BALANCE SHEET AS AT MARCH 31, 2020

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

		As at	As at
	Note	Mar 31, 2020	Mar 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	46	24
Right of use assets	5	176	-
Other intangible assets	6	3	5
Financial assets			
Investments	7	5,186	5,186
Loans	8	218	1,618
Deferred tax assets (net)	10	731	873
Other non-current assets	11	1,730	1,658
Total non-current assets		8,090	9,364
Current assets			
Financial assets			
Trade receivables	12	815	890
Cash and cash equivalents	13	16,515	14,297
Bank balances other than above	14	17	135
Loans	8	1,400	250
Other financial assets	9	380	424
Other current assets	11	162	255
Total current assets		19,289	16,251
Total assets		27,379	25,615
EQUITY AND LIABILITIES			
Equity Share capital	15	11,140	11,140
Other equity	16	11,571	9,299
	.0		
Total equity		<u>22,711</u>	<u>20,439</u>
Liabilities			
Non-current liabilities			
Financial liabilities	2.		
Lease liabilities	34	118	-
Provisions	17	333	303
Total non-current liabilities		451	303
		-	-

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

		As at	As at
	Note	Mar 31, 2020	Mar 31, 2019
Current liabilities			
Financial liabilities			
Lease liabilities	34	66	-
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	18	-	1
Total outstanding dues of creditors other than micro enterprises and small enterprises	18	604	832
Other financial liabilities	19	31	10
Provisions	17	90	77
Current tax liabilities (net)	20	3,267	3,647
Other current liabilities	21	159	306
Total current liabilities		4,217	4,873
Total liabilities		4,668	5,176
Total equity and liabilities		27,379	25,615

See accompanying notes to the financial statements

In terms of our report attached.

# For **Deloitte Haskins & Sells LLP**

**Chartered Accountants** 

# Sells LLP For and on behalf of the Board of Directors

Bhavani Balasubramanian	Chandrasekhara Hao Boddoju	Shrenil
Partner	Managing Director and	Whole 7
	Chief Executive Officer	Chief Fi
	DIN: 08185777	DIN: 08
Place: Chennai	Place: Hyderabad	Place: E
Date: May 22, 2020	Date: May 22, 2020	Date: M

# Shrenik Kumar Champalal Whole Time Director and Chief Financial Officer DIN: 08099410 Place: Bengaluru Date: May 22, 2020

Aruna Mohandoss Company Secretary Place: Chennai Date: May 22, 2020

# XCHANGING SOLUTIONS LIMITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

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

	(/ ασα.	For the year	For the year
		ended	ended
	Note	Mar 31, 2020	Mar 31, 2019
Revenue from operations	22	4,270	5,203
Other income	23	1,568	1,202
Total Income		5,838	6,405
Expenses			
Employee benefits expense	24	2,090	2,584
Finance costs	25	11	1
Depreciation and amortisation expense	26	77	37
Other expenses	27	1,027	1,352
Total expenses		3,205	3,974
Profit before tax		2,633	2,431
Tax expense/ (benefit)			
Current tax	28	802	737
Current tax- for the earlier years		(579)	15
Deferred tax	28	141	32
Total tax expense		364	784
Profit for the period		2,269	1,647
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		4	35
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1)	(10)
Total other comprehensive income		3	25
Total Comprehensive Income for the period		2,272	1,672
Earnings per Equity Share (of Rs.10 each)	30		
Basic- In Rs		2.04	1.48
Diluted- In Rs		2.04	1.48

See accompanying notes to the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP

**Chartered Accountants** 

For and on behalf of the Board of Directors

Bhavani Balasubramanian

Partner

Place: Chennai Date: May 22, 2020 Chandrasekhara Rao Boddoju Managing Director and Chief Executive Officer DIN: 08185777

Place: Hyderabad Date: May 22, 2020 Shrenik Kumar Champalal

Whole Time Director and Chief Financial Officer DIN: 08099410

Place: Bengaluru Date: May 22, 2020

Aruna Mohandoss

Company Secretary Place: Chennai Date: May 22, 2020

# XCHANGING SOLUTIONS LIMITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

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

a EQUITY SHARE CAPITAL

Balance at April 1, 2018 11,140

Changes in equity share capital during the year

Balance at March 31, 2019 11,140

Changes in equity share capital during the year

Balance at March 31, 2020 11,140

#### **b** OTHER EQUITY

Particulars		Reserves & Surplus		
	Capital reserve	Security premium	Retained earnings	Total other equity
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

Particulars		Reserves & Surplus		
	Capital reserve	Security premium	Retained earnings	Total other equity
Balance as of April 1, 2019	57	8,417	825	9,299
Profit for the year	-	-	2,269	2,269
Other comprehensive income for the year, net of tax	-	-	3	3
Balance as of March 31, 2020	57	8,417	3,097	11,571

See accompanying notes to the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP

**Chartered Accountants** 

For and on behalf of the Board of Directors

Bhavani Balasubramanian

Partner

Place: Chennai

Date: May 22, 2020

Chandrasekhara Rao Boddoju

Managing Director and Chief Executive Officer

DIN: 08185777

Place: Hyderabad Date: May 22, 2020 **Shrenik Kumar Champalal** 

Whole Time Director and Chief Financial Officer

DIN: 08099410 Place: Bengaluru

Date: May 22, 2020

**Aruna Mohandoss** 

Company Secretary

Place: Chennai Date: May 22, 2020

70

# XCHANGING SOLUTIONS LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

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

	(All amounts	n Rs. Lakhs, unless otherwise stated)	
		For the year ended	For the year ended Mar 31, 2019
		Mar 31, 2020	
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	2,633	2,431
	Adjustments for:		
	Depreciation and amortisation expense	77	37
	Profit on sale of property, plant and equipment	(2)	(8)
	Foreign exchange loss - unrealised	27	(56)
	Interest income	(1,031)	(292)
	Dividend income	(395)	(542)
	Provision for doubtful advances	13	78
	Provision for doubtful debts	-	48
	Liabilities no longer required written back	-	(28)
	Other provisions no longer required written back	(115)	(284)
	Finance cost including lease liability (Refer note 34)	11	1
	Other non cash adjustments	3	25
	Operating profit before working capital changes	1,221	1,410
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Trade receivables	56	304
	Other current assets	93	(58)
	Loans & other financial assets and other assets	(29)	21
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	(237)	(578)
	Other financial liabilities and other liabilities	(14)	338
	Provisions	43	(46)
	Cash generated from operations	1,133	1,391
	Taxes paid (net of refunds)	(602)	(526)
	Net cash generated from operating activities (A)	531	865
	Net cash generated from operating activities (A)		
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of property, plant and equipment	(38)	(22)
	Proceeds from sale of property, plant and equipment	2	8
	Dividend income	395	542
	Proceeds from loans	250	-
	Deposits with banks with maturity period more than 3 months but less than 12 months	118	7
	Deposits with banks with maturity period more than 12 months	-	16
	Interest received	1,019	283
	Net cash generated from investing activities (B)	1,746	834

	For the year ended	For the year ended	
	Mar 31, 2020	Mar 31, 2019	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Repayment from non-current borrowings	(3)	(8)	
Payment of lease liabilities	(45)	-	
Finance cost including lease liability (Refer note 34)	(11)	(1)	
Net cash used in financing activities (C)	(59)	(9)	
Net increase in cash and cash equivalents (A + B + C)	2,218	1,690	
Cash and cash equivalents at the beginning of the year	14,297	12,607	
Cash and cash equivalents at the end of the year	16,515	14,297	
Cash on hand	-	-	
Balances with banks:			
In current accounts	468	337	
Funds in transit	133	-	
Demand deposits (less than 3 months maturity)	15,930	13,941	
Effect of exchange differences on balances with banks in foreign currency	(16)	19	
Net cash and cash equivalents included in note 13	16,515	14,297	
Cash and cash equivalents	16,515	14,297	

# Notes:

(1) Figures in brackets indicate cash outflow.

See accompanying notes to the financial statements

In terms of our report attached.

# For Deloitte Haskins & Sells LLP

**Chartered Accountants** 

# For and on behalf of the Board of Directors

Bhavani Balasubramanian	Chandrasekhara Rao Boddoju	Shrenik Kumar Champalal
Partner	Managing Director and	Whole Time Director and
	Chief Executive Officer	Chief Financial Officer
	DIN: 08185777	DIN: 08099410
Place: Chennai	Place: Hyderabad	Place: Bengaluru
Date: May 22, 2020	Date: May 22, 2020	Date: May 22, 2020

Place: Bengaluru Date: May 22, 2020

**Aruna Mohandoss** Company Secretary Place: Chennai Date: May 22, 2020

71

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### 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.

Xchanging Technology Services India Private Limited, ("XTSIPL") sold 15.80% of its holding in the Company constituting 17,599,461 equity shares (15,839,515 Equity Shares sold on June 10, 2019 and 1,759,946 Equity Shares sold on June 11, 2019) of the Company through Offer for Sale during the year. As a result XTSIPL's holding in the Company has reduced to 19.16%. Also refer note 40.

#### 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 and relevant amendment rules issued thereafter under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below.

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

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

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

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

The principal accounting policies are set out below:

# 2.2 Revenue recognition

72

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

73

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 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:

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

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

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

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments.

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

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

In the comparative period, lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

Transition to Ind AS 116

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the Simplified approach and accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The adoption of the new standard resulted in recognition of Right-of-Use (ROU) of Rs. 64 and a lease liability of Rs. 64. The effect of this adoption is insignificant on the profit for the period and earnings per share.

# 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.

# 2.6 Employee benefits

74

# 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.

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.

75

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.

#### 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.

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.

# 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.

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 Classification of financial assets

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

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

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

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.

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 <u>Impairment of financial assets</u>

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.

77

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.

# 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 <u>Derecognition of financial liabilities</u>

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 32.

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.

#### 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 input credit

GST 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.

# 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 28.
- iii) Fair value measurements and valuation processes- 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.
- Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. Refer note no 2.4
- v) Estimation uncertainty relating to COVID-19 outbreak-The Company has considered internal sources of information up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables including unbilled receivables and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

81

	As at	As at
	Mar 31, 2020	Mar 31, 2019
PROPERTY, PLANT AND EQUIPMENT (Refer note 2.8 and 2.10) (Owned unless specified)		
Carrying amounts of:		
Leasehold Improvements	10	-
Computers	28	15
Vehicles	-	-
Office Equipment	5	9
Furniture and Fittings	3	-
	46	24

Particulars	Leasehold Improvements	Computers	Vehicles	Office Equipment	Furniture and Fittings	Total
Gross carrying value						
Balance as at April 1, 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
Additions	15	23	-	2	3	43
Disposals	-	(152)	(29)	(9)	-	(190)
Balance as at March 31, 2020	15	883	-	152	13	1,063
Accumulated depreciation						
Balance as at April 1, 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
Depreciation expense	5	10	-	6	-	21
Eliminated on disposals of assets	-	(152)	(29)	(9)	-	(190)
Balance as at March 31, 2020	5	855	-	147	10	1,017
Carrying value as at March 31, 2020	10	28	-	5	3	46
Carrying value as at March 31, 2019	-	15	-	9	-	24

# 5 MOVEMENT IN RIGHT OF USE ASSETS:

(Refer note 2.4)

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

Particulars	Leasehold Improvements
Balance as at April 1, 2019	-
Reclassified on account of adoption of IND AS 116	64
Additions	165
Depreciation	(53)
Balance as at March 31, 2020	176

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

As at	As at
Mar 31, 2020	Mar 31, 2019
3	5
3	5
	Mar 31, 2020

Particulars	Computer software	Total
Gross carrying value		
Balance as at April 1, 2018	531	531
Additions	8	8
Disposals	(477)	(477)
Balance as at March 31, 2019	62	62
Additions	1	1
Disposals	-	-
Balance as at March 31, 2020	63	63
Accumulated amortisation		
Balance as at April 1, 2018	527	527
Amortisation expense	7	7
Disposals	(477)	(477)
Balance as at March 31, 2019	57	57
Amortisation expense	3	3
Disposals	-	-
Balance as at March 31, 2020	60	60
Carrying value as at March 31, 2020	3	3
Carrying value as at March 31, 2019	5	5

# **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 (2019: 2,300,000) ordinary shares of Singapore\$1 each		7		7
Xchanging Solutions (Europe) Limited, UK 1 (2019: 2,664,278) ordinary shares of GBP 1 each [Refer note 39]	2,222		2,222	
(Less): Provision for diminution in value of investment	(2,222)	-	(2,222)	-
Xchanging Solutions (USA) Inc, USA 9,930,062 (2019: 9,930,062) common stock of US\$1 each [Refer note 38]	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 Aggregate amount of impairment in value of investments		13,453 (8,267)		13,453 (8,267)

	As at	As at
	Mar 31, 2020	Mar 31, 2019
LOANS		
(Refer note 2.13 and 2.16)		
Unsecured, considered good unless otherwise stated		
Non-current		
Loans and advances:		
Subsidiaries [Refer note 38]:		
- Considered doubtful	17,283	17,283
(Less): Provision for doubtful loans	(17,283)	(17,283)
Fellow subsidiaries [Refer note 33]	218	1,618
	218	1,618
Current		
Loans and advances:		
Fellow subsidiaries [Refer note 33]	1,400	250
	1,400	250

Note: As at March 31, 2020, the loans and advances balance of Rs. 17,283 (2019: 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.

# 9 OTHER FINANCIAL ASSETS

(Refer note 2.2, 2.13 and 2.16)

Unsecured considered good unless otherwise stated

# **Current**

4	-
21	40
170	174
24	21
(24)	(21)
125	131
15	33
43	13
2	33
17	35
(17)	(35)
380	424
	21 170 24 (24) 125 15 43 2 17 (17)

# 10 DEFERRED TAX ASSETS (NET)

(Refer note 2.7 and 3.1.(ii))

Details of deferred tax assets and liabilities as at March 31, 2020 comprise of the following:

Particulars	As at April 1, 2019	(Credit)/ Charged to Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2020
Deferred Tax Assets				
Depreciation	187	41	-	146
Provision for gratuity	88	9	1	78
Provision for compensated absences	22	(6)	-	28
Provision for other employee benefits	19	4	-	15
Provision for doubtful debts	362	32	-	330
Provision for doubtful advances	175	57	-	118
Adjustment for lease	-	(2)	-	2
Others	20	6	-	14
Total (A)	873	141	1	731
Deferred Tax Liabilities (B)	-	-	-	-
Deferred Tax Assets (Net) (A)-(B)	873	141	1	731

# As at March 31, 2019

11

84

Particulars	As at April 1, 2018	(Credit)/ Charged to Statement of Profit and Loss	_	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	As at
	Mar 31, 2020	Mar 31, 2019
OTHER ASSETS		
(Refer note 2.23)		
Unsecured considered good unless otherwise stated		
Non-current		
Prepaid Expenses	7	13
Advances recoverable in kind	1,486	1,466
Balances with Government Authorities (Service tax & GST)		
- Considered good	237	179
- Considered doubtful	429	548
(Less): Provision for doubtful advances	(429)	(548)
	1,730	1,658
Current	<del></del>	
Balances with Government Authorities (GST)	78	116
Prepaid Expenses	59	108
Other Loans and advances	25	31
	162	255

85

Mar 31, 2020	Mar 31, 2019
815	890
1,309	1,243
(1,309)	(1,243)
815	890
	1,309 (1,309)

**Note:** The credit period ranges from 0 to 30 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 652 (2019: Rs. 469)

#### 13 CASH AND CASH EQUIVALENTS

13	CASH AND CASH EQUIVALENTS		
	(Refer note 2.17)		
	Balances with banks		
	In current accounts	452	356
	Funds in transit	133	-
	In demand deposit accounts (less than 3 months maturity)	15,930	13,941
	Cash on hand	-	-
	Cash and cash equivalent as per statement of cash flow	16,515	14,297
14	OTHER BANK BALANCES		
	Long Term Deposit with maturity more than 3 months but less than 12 months	17	135
		17	135
	Fixed Deposits with Banks include: Rs. 17 (2019: Rs. 135) which are under lien		
15	EQUITY SHARE CAPITAL		
	<b>Authorised capital:</b> 125,000,000 (2019: 125,000,000) Equity shares of Rs.10 each	12,500	12,500
	Issued, subscribed and paid up capital:		
	111,403,716 (2019: 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, 2020		As at January 1, 2019	
	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year Add / (Less): Movement during the year	111,403,716 -	11,140 -	111,403,716 -	11,140
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.

As at

As at

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

	As at March 31, 2020	As at March 31, 2019
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*	21,348,838	38,948,299
	79,351,625	96,951,086

<sup>\*</sup> 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 Marcl	า 31, 2020	As at March	31, 2019
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	21,348,838	19.16	38,948,299	34.96

		Mar 31, 2020	Mar 31, 2019
16 C	OTHER EQUITY		
С	Capital reserve	57	57
S	Security premium	8,417	8,417
R	Retained earnings	3,097	825
		11,571	9,299
1	16.1 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.

# 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.

#### 16.3 Retained earnings

86

•		
Balance at the beginning of the year	825	(847)
Profit for the year	2,269	1,647
Other comprehensive income arising from remeasurement of		
defined benefit obligation net of tax	3	25
Balance at the end of the year	3,097	825

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

87

		As at	As at
		Mar 31, 2020	Mar 31, 2019
PROVISIO			
(Refer not	•		
Non-curre	<u>ent</u>		
Provision	for employee benefits :		
Pro	vision for compensated absences	84	61
Pro	vision for gratuity [Refer note 31]	249	242
		333	303
_			
Current			
	for employee benefits :		
	vision for compensated absences	28	17
Pro	vision for gratuity [Refer note 31]	62	60
		90	77
TRADE PA	AYABLES e 2.14)		
` Total outs	tanding dues of micro enterprises and small enterprises (Refer Note (ii)) tanding dues of creditors other than micro enterprises and small enterprises	-	1
Due to:			
	osidiaries [Refer note 33]	98	101
Rel	ated parties [Refer note 33]	204	214
Others:			
God	ods & services	228	400
Em	ployee related payables	74	117
		604	832
		604	833
Notes:			
. ,	redit period ranges from 0 to 90 days. No interest is charged on trade payables u	•	
	cial risk management policies in place to ensure that all payables are paid within		
` '	e basis of confirmation obtained from suppliers who have registered themsels		
	prise Development Act, 2006 (MSMED Act, 2006) and based on the informati ing are the details:	ion available with t	ine Company, the
	rincipal amount remaining unpaid		1
. ,	nterest due thereon remaining unpaid	-	1
` '	ŭ i	-	-
	nterest paid by the Company in terms of Section 16 of the Micro, Small and ledium Enterprises Development Act, 2006, along-with the amount of the		
	ayment made to the supplier beyond the appointed day during the period	_	_
	Iterest due and payable for the period of delay in making payment (which		
	ave been paid but beyond the appointed day during the period) but without		
h		00	
	dding interest specified under the Micro, Small and Medium Enterprises Act, 20	06 -	-
a	dding interest specified under the Micro, Small and Medium Enterprises Act, 20 Interest accrued and remaining unpaid	-	-
a (e) Ir	·		-

	As at	As a
	Mar 31, 2020	Mar 31, 2019
OTHER FINANCIAL LIABILITIES		
(Refer note 2.5 and 2.14)		
Current maturities of non-current borrowings	-	3
Payable on purchase of property, plant and equipment	13	7
Other financial liabilities	18	
	31	10
CURRENT TAX ASSETS AND LIABILITIES		
(Refer note 2.7 and 3.1.(ii))		
Current tax assets		
Tax refund receivable	4,202	3,599
Tax Totalia Toodiyasio		
	4,202	3,599
Current tax liabilities		
Income tax payable	7,469	7,246
	7,469	7,246
	3,267	3,647
OTHER CURRENT LIABILITIES (Refer note 2.2 and 2.5)		
Income received in advance (Unearned revenue)		
- Fellow subsidiaries [Refer note 33]	-	49
- Others	62	202
Statutory remittances (Contributions to PF, ESIC, Withholding Taxes, GST etc.)	29	47
Security deposits	67	
Advances from customers	1	8
	159	306
	For the year	For the year
	ended	ended
	Mar 31, 2020	Mar 31, 2019
REVENUE FROM OPERATIONS (Refer note 2.2, 29 and 33)		
Software services	4,270	5,203
	4,270	5,203

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2020 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	For the year ended	
	Mar 31, 2020	Mar 31, 2019	
T&M and AMC	4,145	4,795	
Fixed Price	125	408	
Total	4,270	5,203	

The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to render services (ii) onerous obligations (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on such evaluation. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

		For the year ended	For the yea ended
		Mar 31, 2020	Mar 31, 201
	THER INCOME		
(R	efer note 2.3 and 2.5)		
a)			
	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	834	68
	Loans to fellow subsidiaries [Refer note 33]	197	224
	Loans to lellow subsidiaries [Nelei flote 35]		
		1,031	292
b)	Dividend income		
,	Dividends from current investments	-	542
	Dividends from equity investments	395	
		395	542
	All dividends from mutual funds and dividends from equity investments carried at fair val the years relate to investments held during each reporting period.	ue through P&L re	ecognised for bot
c)	Other non-operating income (net of expenses directly attributable to such income)		
	Other provisions no longer required written back	115	284
	Liabilities no longer required written back	-	28
	Others (aggregate of immaterial items)	-	6
		115	318
15			
d)	Other gains and losses	0	
	Profit on sale of property, plant and equipment (net)	2	8
	Profit on redemption of mutual funds	-	2
	Foreign exchange gain (net)	25	40
		27	50
	(a+b+c+d)	1,568	1,202
	MPLOYEE BENEFITS EXPENSE		
•	efer note 2.6 and 31)		
Sa	alaries and wages including bonus	1,905	2,361
	optribution to provident and other funds [Defer note 21]	106	118
Со	ontribution to provident and other funds [Refer note 31]		70
Co Gr	ratuity expenses [Refer note 31]	56	
Co Gr		56 23	
Co Gr	ratuity expenses [Refer note 31]		35
Gr Sta	ratuity expenses [Refer note 31] aff welfare expenses  NANCE COSTS	23	35
Gr Sta	ratuity expenses [Refer note 31] aff welfare expenses  NANCE COSTS efer note 2.4)	23	2,584
Gr Sta FII (Re	ratuity expenses [Refer note 31] aff welfare expenses  NANCE COSTS efer note 2.4) terest expenses on borrowings (not classified as at FVTPL)	23 2,090	70 35 <b>2,584</b>
Gr Sta FII (Re	ratuity expenses [Refer note 31] aff welfare expenses  NANCE COSTS efer note 2.4)	23	2,584

90

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

		For the year ended	For the year ended
		Mar 31, 2020	Mar 31, 2019
26	DEPRECIATION AND AMORTISATION EXPENSE (Refer note 2.4, 2.8, 2.9 and 2.16)		
	Depreciation of property, plant and equipment [Refer note 4]	21	30
	Depreciation of right of use of assets [Refer note 5]	53	-
	Amortisation of intangible assets [Refer note 6]	3	7
		77	37
27	OTHER EXPENSES (Performate 2.4. 2.5. 2.11, 2.16 and 2.22)		
	(Refer note 2.4, 2.5, 2.11, 2.16 and 2.22)	200	198
	Project work expenses		
	Power and fuel	35	42
	Rental expenses*	15	112
	Repairs and maintenance:	104	100
	Computer equipments	134	183
	Others	58	65
	Insurance	26	26
	Rates and taxes	17	11
	Communication	164	173
	Travelling and conveyance	97	117
	Business promotion	18	34
	Net Loss on FV changes in current investments carried at FVTPL	-	5
	Expenditure towards Corporate Social Responsibility (CSR) activities [Refer note 37]	21	20
	Legal and professional	63	42
	Payments to auditors (Refer Note (i) below)	110	113
	Provision for doubtful debts (net)	-	48
	Provision for doubtful advances	13	78
	Directors' sitting fees	35	29
	Miscellaneous expenses	21	56
		1,027	1,352
	* Represents lease rentals for short term leases and leases of low value assets 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	6
	Certifications	2	4
	Out-of-pocket expenses	_	1
	Total	110	113
28	Income Taxes (Refer note 2.7 and 3.1.(ii))		
	Income tax recognised in profit or loss		
	Current tax		
	In respect of current year	802	737
	Deferred tax		
	to account of account cons	1/1	20
	In respect of current year	141	32

	For the year ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
2. The income tax expense for the year can be reconciled to the accounting profit/ (loss) as follows:		
Profit/ (loss) before tax	2,633	2,431
Income tax expense calculated at 25.168% (2019: 29.120%) Effect of notional income recognised for taxation Effect of change in tax rate (Refer note 41)	663 196 86	708 226
Effect of income that is exempt from taxation	-	(158)
Effect of inadmissible expenses	5	14
Effect of admissible deductions	-	(2)
Others	(7)	(19)
Income tax expense recognised in Profit and Loss	943	769

The income tax rate used for the above reconciliations is current tax 25.168% (2019: 29.120%) and Deferred tax 25.168% (2019: 29.120%), these are the corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law.

# 3. Income tax recognised in other comprehensive income:

Items that may be reclassified to profit or loss

#### Income tax

Arising on income and expenses recognised in other comprehensive income:

Remeasurement of defined benefit obligation

(1)
(10)

Total \_\_\_\_\_(1) \_\_\_\_(10)

Bifurcation of the income tax recognised in other comprehensive income into:Items that will not be reclassified to profit or loss
(1)

## 29 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, 2020	Mar 31, 2019	
Europe	1,122	1,552	
USA	1,811	1,967	
India	1,068	1,308	
Rest of the World	269	376	
	4,270	5,203	

Balance of customers with more than 10% of total revenue amounts to Rs 2,931 (2019: Rs. 3,378)

	segment as	Carrying amount of segment assets by location of the assets		Addition to Fixed Assets/Right of use assets	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019	
Europe	321	226	-	-	
USA	5,541	6,515	-	-	
India	20,718	17,732	209	28	
Rest of the World	68	269	-	-	
	26,648	24,742	209	28	

	For the year ended	For the year ended	
	Mar 31, 2020	2020 Mar 31, 2019	
EARNINGS PER SHARE (Refer note 2.21)			
Basic earnings per share			
Profit for the year after tax	2,269	1,647	
Nominal value per share (Rs.)	10	10	
Weighted average number of equity shares considered for calculating basic earnings per share – (A)	111,403,716	111,403,716	
Earnings per share – Basic (Rs.)	2.04	1.48	
Diluted earnings per share			
Weighted average number of equity shares considered for calculating diluted earnings per share – (B)	111,403,716	111,403,716	
Earnings per share – Diluted (Rs.)	2.04	1.48	

## 31 EMPLOYEE BENEFITS EXPENSE

(Refer note 2.6)

## (a) Defined Contribution Plans

**Provident Fund and Other Funds:** During the year, the Company has recognised Rs. 106 (2019: Rs. 118) 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.

<u>Longevity risk</u>: 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.

<u>Salary risk</u>: 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	As at
	Mar 31, 2020	Mar 31, 2019
(i) Movement in Present Value of the Defined benefit obligation		
Balance at the beginning of the year	302	357
Current Service Cost	37	47
Interest Cost	19	23
Actuarial (Gains) / Losses- Demographic	-	-
Actuarial (Gains) / Losses- Financial	6	(9)
Actuarial (Gains) / Losses- Experience	(10)	(26)
Benefits paid	(43)	(90)
Present Value of Defined benefit obligation at the end of the year	311	302

93

		As at	As at
		Mar 31, 2020	Mar 31, 2019
(ii)	Assets and Liabilities recognised in the Balance Sheet		
	Present Value of Defined Benefit Obligation	311	302
	Amounts recognised as liability	311	302
	Recognised under:		
	Non-current provisions (Refer note 17)	249	242
	Current provisions (Refer note 17)	62	60
		311	302
		For the year	For the year
		ended	ended
		Mar 31, 2020	Mar 31, 2019
(iii)	Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.		
	Current Service Cost	37	47
	Interest Cost	19	23
	Components of defined benefit costs recognised in profit or loss	56	70
	Remeasurement on the net defined benefit liability:		
	Actuarial (Gain) / Loss due to Demographic Assumption changes	-	-
	Actuarial (Gain) / Loss due to Financial Assumption changes	6	(9)
	Actuarial (Gain) / Loss due to Experience	(10)	(26)
	Components of defined benefit costs recognised in other comprehensive income	(4)	(35)
	Total	52	35
		As at	As at
		Mar 31, 2020	Mar 31, 2019
<i>(:</i> )	A should be a sometime.	Wai 31, 2020	Wai 31, 2019
(IV)	Actuarial Assumptions Discount Rate	5.95%	6.95%
	Attrition Rate	20%	20%
	Increase in Compensation Cost	6.25%	6.75%
	Retirement Age	60	60
	Tielle ment Age		
Par	ticulars	Mar 31, 2020	Mar 31, 2019
(v)	Expected Future Cashflows		
	Year 1	62	60
	Year 2	54	53
	Year 3	54	46
	Year 4	42	46
	Year 5	36	36

# 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, 2020

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

# 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

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.

## 32 FINANCIAL INSTRUMENTS

#### 32.1 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 note 19) and total equity of the Company.

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

#### 32.1.1 Debt equity ratio

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

Particulars	As at	As at
	Mar 31, 2020	Mar 31, 2019
Debt (i)	-	3
Net debt	-	3
Total equity	22,711	20,439
Net debt to equity ratio	-	0.00

- (i) Debt is defined as long-term and current maturities (excluding derivative, financial guarantee contracts and contingent consideration), as described in note 19.
- ii) Total equity comprises issued share capital, reserves, retained earnings and other comprehensive income as set out in the statement of changes in equity.

95

# 32.2 Categories of financial instruments

Particulars	As at	As at
	Mar 31, 2020	Mar 31, 2019
Financial assets		
Measured at amortised cost		
(a) Cash and bank balances	16,515	14,297
(b) Bank balances other than above	17	135
(c) Other financial assets at amortised cost	2,813	3,182
Measured at cost		
Investments	5,186	5,186
Financial liabilities		
Measured at amortised cost		
Lease liabilities	184	-
Other financial liability at amortised cost	635	843

#### 32.3 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.

#### 32.4 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note 32.5).

## 32.5 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	Liabilities as at			
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019	
GBP	133	135	68	126	
USD	9	68	1,639	1,936	
Others*	7	32	14	11	
Total	149	235	1,721	2,073	

<sup>\*</sup> Others include currencies such as SGD, EUR and AUD.

## 32.5.1 Foreign currency sensitivity analysis

The Company is mainly exposed to the USD and GBP.

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

Particulars		Impact on profit or loss for the year				
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019		
GBP sensitivity						
Increase by 10%	(7)	(1)	(7)	(1)		
Decrease by 10%	7	1	7	1		
USD sensitivity						
Increase by 10%	163	187	163	187		
Decrease by 10%	(163)	(187)	(163)	(187)		
Others sensitivity*						
Increase by 10%	1	(2)	1	(2)		
Decrease by 10%	(1)	2	(1)	2		

<sup>\*</sup> Others include currencies such as SGD, EUR 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.

# 32.6 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.

# 32.7 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.

# Provision for expected credit losses

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

Category	Description of category		asis for recognition	
		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 of	ff

. , .	for loans and other financial assets at	Category —		Asset group	Estimated gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment
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 risl	, amo	pans at ortised cost	at default 1,618	0%	-	provision 1,618
		High quality assets negligible credit risk	, fir	Other nancial sets at ortised cost	58	0%	-	58
		Standard assets moderate credit risi	, fin	Other nancial sets at ortised cost	363	12%	42	322
Loss allowance measured at life-time expected credit losses	Financial assets where there is a high probability of default	Low quality assets, very high credi	amo t	oans at ortised cost	17,283	100%	17,283	-
(b) Expected credit loss	or trade receivables under simplified approac	h		•			•	
Ageing			0-30 Days	31-6 Day	1	91-180 Days	180+ Days	Total outstanding
Gross carrying amount Expected loss rate Expected credit losses (	Loss allowance provision)		307 0% -	24 09	1	132 0% -	1,335 98% 1,309	2,124 62% 1,309

Annual Report 2019-20 Xchanging Solutions Limited

Carrying amount of trade receivables (net of impairment)

815

26

106

132

307

244

Particulars  March 31, 2019  (a) Expected credit loss assets at amortised	for loans and other financial cost	Catego	ry	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quali asset negligib credit ri	ts, ar ole	Loans at mortised cost	1,868	0%	1	1,868
		High quali asset negligib credit ri	ts, d	Other financial assets at mortised cost	46	0%	-	46
		Low quali assets, ve high cred	ry dit a	Other financial assets at mortised cost	434	13%	56	378
Loss allowance measured at life-time expected credit losses	Financial assets where there is a high probability of default	Low quali asset very hiç credit ri	ts, ar gh	Loans at mortised cost	17,283	100%	17,283	-
b) Expected credit loss f	or trade receivables under simplified approach	•	•	,	•			
Ageing			0-3 Day		I	91-180 Days	180+ Days	Total outstanding
Gross carrying amount Expected loss rate Expected credit losses (	Loss allowance provision)		29 0%		312 42 0% 0% 	148 0% -	1,338 93% 1,243	2,133 58% 1,243
Carrying amount of tra	de receivables (net of impairment)		29	3 3	312 42	148	95	890

# 32.8 Liquidity risk management

98

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.

## 32.8.1 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, 2020					
Non-interest bearing	-	635	-	-	635
Fixed interest rate instruments	-	-	-	-	-
		635	-	-	635
March 31, 2019					
Non-interest bearing	-	840	-	-	840
Fixed interest rate instruments	10.0%	3	-	-	3
		843	-	-	843

#### 32.9 Fair value measurements

#### 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 as at March 31, 2020 and March 31, 2019

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2020 and March 31, 2019

# **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.

## 33 Related Party Disclosures

1)

# A. Names of related parties and nature of relationship:

)	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 Holdings Limited
		Xchanging B.V.
	Immediate holding company	Xchanging (Mauritius) Limited, Mauritius ('XML, Mauritius')
	ii) Subsidiary companies	Xchanging Solutions (Europe) Limited, UK ('XSEL, UK')
	. ,	Xchanging Solutions (Singapore) Pte Limited, Singapore ('XSSPL, Singapore')
		Xchanging Solutions (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 & Shrenik Kumar Champalal
Chief Financial Officer
Executive Director & Chandrasekhara Boddoju Rao
Chief Executive Officer
Company Secretary Mayank Jain (Upto October 31, 2019)
Company Secretary Aruna Mohandoss (from November 13, 2019)

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

**Fellow subsidiaries** 

Xchanging Builders (India) Private Limited, India ('XBPL, India')

Xchanging Global Insurance Solutions Ltd., UK ('XGISL, UK')

Xchanging Technology Services India Private Limited, India ('XTSIPL, India')

Xchanging UK Limited, UK ('XUKL, UK')

DXC Technology India Private Limited, India (previously known as CSC

Technologies India Private Limited) ('DXC, India')

CSC Deutschland GmbH, Germany ('CSC, Germany')

EIT Services India Private Limited, India ('EIT, India')

ESIT Canada Enterprise Services Co, Canada ('ESIT, Canada')

CSC Consulting Inc., USA ('CSC Consulting, USA')

Enterprise Services LLC, USA ('Enterprise, USA')

CSC Corp - FSG US, USA ('CSC Corp, USA')

MSS-Americas Outsourcing, USA ('Americas Outsourcing, USA')

Xchanging Pty Limited, Australia ('Xchanging, Australia')

Service Mesh Inc., USA ('Service, USA') (effective from current financial year)

Summary of transactions with related parties is as		lding panies	Subsi compa		Fello subsid		Tota	I
follows:	For the year ended							
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Expenses paid on behalf of the	Company:				•			
XSSPL, Singapore	-	-	24	16	-	-	24	16
XUKL, UK	-	-	-	-	35	43	35	43
XTSIPL, India	-	-	-	-	47	25	47	25
DXC, India	-	-	-	-	118	171	118	171
Service, USA	-	-	-	-	3	-	3	-
EIT, India	-	-	-	-	103	46	103	46
Total	-	-	24	16	306	285	330	301
Expenses paid on behalf of th XTSIPL, India	e related part	y: _	_	_	_	2	_	2
NIIPL, India	-	-	3	-	-	-	3	-
Total	-	-	3	-	-	2	3	2
Interest income on loans:		•	•	•	•		•	•
XTSIPL, India	-	-	-	-	108	108	108	108
XBPL, India	-	-	-	-	89	116	89	116
Total	-	-	-	-	197	224	197	224
Revenue:								
XSUI, USA	-	-	1,394	1,660	-	-	1,394	1,660
XGISL, UK	-	-	-	-	42	223	42	223
XTSIPL, India	-	-	-	-	60	-	60	-
DXC, India	-	-	-	-	552	598	552	598
ESIT, Canada	-	-	-	-	-	1	-	1
EIT, India	-	-	-	-	30	40	30	40
CSC Consulting, USA	-	-	-	-	16	56	16	56

101

Enterprise, USA	-	-	-	-	299	4	299	4
CSC Corp, USA	-	-	-	-	-	13	-	13
Americas Outsourcing, USA	-	-	-	-	103	190	103	190
CSC, Germany	-	-	-	-	-	14	-	14
Total	-	-	1,394	1,660	1,102	1,139	2,496	2,799
Other Income:								
XTSIPL, India	-	-	-	-	-	3	-	3
XSEL, UK	-	-	395	-	-	-	395	-
Total	-	-	395	-	-	3	395	3
Purchase of Asets:								
EIT, India	-	-	-	-	18	-	18	-
Total	-	-	-	-	18	-	18	-

## Note:

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

of related parties is as	-		lding panies	Subsi compa		Fellow Total subsidiaries			ıl	
follows:	As at	As at	Asa							
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	Marc 31, 20		
Trade Receivables:										
XSUI, USA	-	-	335	289	-	-	335	289		
XGISL, UK	-	-	-	-	8	22	8	22		
DXC, India	-	-	-	-	42	40	42	40		
EIT, India	-	-	-	-	4	48	4	48		
CSC Consulting, USA	-	-	-	-	3	27	3	27		
Enterprise, USA	-	-	-	-	24	4	24	4		
XTSIPL, India	-	-	-	-	6	-	6	-		
Americas Outsourcing, USA	-	-	-	-	-	7	-	7		
Total	-	-	335	289	87	148	422	43		
Trade Payables:										
XSSPL, Singapore	-	-	6	16	-	-	6	16		
NIIPL, India	-	-	85	85	-	-	85	85		
XSEL, UK	-	-	4	-	-	-	4	-		
XUKL, UK	-	-	-	-	31	39	31	39		
XGISL, UK	-	-	-	-	101	97	101	97		
XTSIPL, India	-	-	-	-	4	2	4	2		
DXC, India	-	-	-	-	-	18	-	18		
Americas Outsourcing, USA (Unearned revenue)	-	-	-	-	-	49	-	49		
Xchanging, Australia	-	-	-	-	-	8	-	8		
XSUI, USA	-	-	3	-	-	-	3	-		
Service, USA	-	-	-	-	3	-	3	-		
EIT, India	-	-	-	-	65	50	65	50		
Total	-	-	98	101	204	263	302	364		

# **Expenses Recoverable:**

XTSIPL, India	-	-	-	-	11	1	11	1
NIIPL, India	-	-	4	-	-	-	4	-
DXC, India	-	-	-	-	10	39	10	39
Total	-	-	4	-	21	40	25	40

## Loans and Advances (including interest accrued):

XTSIPL, India	-	-	-	-	908	916	908	916
XSUI, USA	-	-	17,283	17,283	-	-	17,283	17,283
XBPL, India	-	-	-	-	725	985	725	985
Total	-	-	17,283	17,283	1,633	1,901	18,916	19,184

#### 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

# D. Remuneration paid to the key managerial personnel

Particulars	For the year ended	For the year ended	
	Mar 31, 2020	Mar 31, 2019	
Salaries, bonus, etc.	62	95	
Total	62	95	

#### 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.

# 34 LEASES

(Refer note 2.4)

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

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

Particulars	As at
	Mar 31, 2020
Current lease liabilities	66
Non-current lease liabilities	118
Total	184

# B. Movement in Lease liabilities:

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

Particulars	As at Mar 31, 2020
Balance as at April 1, 2019	-
Reclassified on account of adoption of IND AS 116 (Refer note 2.4)	64
Additions	165
Finance costs accrued during the period	11
Payment of Lease liabilities	(56)
Balance as at March 31, 2020	184

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

Particulars	As at Mar 31, 2020
Less than one year	77
One to five years	131
More than five years	-
Total	208

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

Particulars	Amount in Rs. Lakhs
Increase in lease liability by	184
Increase in rights of use by	176
Increase in deferred tax assets by	2
Increase in finance cost by	11
Increase in depreciation by	53

# E. Amounts recognized in profit or loss:

Particulars	For the year ended Mar 31, 2020
Interest on lease liabilities	11
Expenses relating to short- term leases	15

# F. Amounts recognized in statement of cash flows

Particulars	For the year ended Mar 31, 2020
Total cash outflows for leases	56

G. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the Simplified approach and accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The adoption of the new standard resulted in recognition of Right-of-Use (ROU) of Rs. 64 and a lease liability of Rs. 64. The effect of this adoption is insignificant on the profit for the period and earnings per share.

	у реготоры и предоставления и предоставл				
As at	As at				
Mar 31 2019	Mar 31 2020				

# 35 CAPITAL AND OTHER COMMITMENTS

## (a) Capital Commitments

Estimated value of contracts in capital account remaining to be executed (net of advances)

2

103

4

#### (b) Other Commitments

(i) As at March 31, 2019, Xchanging Solutions (USA) Inc, USA, Company's wholly owned subsidiary, has negative net assets amounting to Rs. 17,580 (2019: Rs. 18,447). While the subsidiary is confident of generating funds from their operations, the Company intends to support the shortfall, if any.

		As at	As at
		Mar 31, 2020	Mar 31, 2019
36	CONTINGENT LIABILITIES (Refer note 2.11)		
	(i) Claims against the Company not acknowledged as debts:		
	Income tax matters [Note (b)]	1,270	1,177
	Service tax matters [Note (c)]	2,359	2,359
		3,629	3,536

- (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 1,821, 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 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.

## 37 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Sec 135 of the Companies Act, 2013 applicable in the current year, gross amount required to be spent by the Company during the year is Rs 21 (2019: Rs 20) on various CSR initiatives. Amount spent during the year are mentioned below:

Sector in which the project is covered	NGO Name	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Education of underprivileged children	U&I Trust	21	-
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
Eradicating hunger, poverty and malnutrition	The Akshaya Patra Foundation	-	*
Total		21	20

<sup>\*</sup> Amount spent is Rs 25,000/-

- The Company has strategic gross investment amounting to Rs. 11,224 (2019: 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 (2019: 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 (2019: 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) from the subsidiary amounting to Rs. 335 (2019: Rs. 289), based on the evaluation of recoverability, the net receivables is considered good and recoverable.
- 39 The Company has strategic gross investments amounting to Rs. 2,222 (2019: 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 (2019: Rs. 2,222) in prior years considering it to be "a decline other than temporary". XSEL reduced its share capital from £2,664,278 (divided into 2,664,278 shares of £1 each) to £1 (divided into 1 share of £1 each) on May 15, 2019. XSEL declared and paid dividend to the Company on May 20, 2019. Board of the Company approved liquidation of XSEL on May 23, 2019 and the liquidation is still under process.

# 40 Open offer and minimum public shareholding (MPS)

Pursuant to an offer for sale undertaken on June 10, 2019 and June 11, 2019, Xchanging Technology Services India Private Limited, a promoter of the Company, sold 17,599,461 equity share representing 15.8% of the share capital of the Company, thereby increasing the public shareholding to 25%. On completion of the offer for sale on June 11, 2019, the promoter shareholding in the Company is at 75% and the public shareholding is at 25% thereby complying with the minimum public shareholding requirements under Rule 19A of the Securities Contract Regulation Rules, 1957.

41 The Company has adopted the option of lower tax rate as provided in the Taxation Law Amendment Act, 2019 and the consequent impact on the tax expense has been considered for the year ended March 31, 2020.

# 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 subsidiary/ fellow subsidiaries in which directors are interested:

Name of the party	Relationship	Amount outstanding as at March 31, 2020	Maximum balance outstanding during the year
Xchanging Technology Services India Private Limited	Common Director	908 (916)	934 (926)
Xchanging Builders (India) Private Limited	Common Director	725 (985)	985 (988)
Xchanging Solutions (USA) Inc (effective from current financial year)	Common Director	17,283 -	17,283 -

Note: Figures in bracket relate to previous year For Investment in subsidiaries refer note 7

# 44 Events after the reporting period

There are no events after the reporting period.

# 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 22, 2020.

#### 46 Previous year figures

Previous year figures have been regrouped / reclassified wherever necessary.

# For Deloitte Haskins & Sells LLP

**Chartered Accountants** 

#### For and on behalf of the Board of Directors

# Bhavani Balasubramanian

Partner

Place: Chennai Date: May 22, 2020

# Chandrasekhara Rao Boddoju

Managing Director and Chief Executive Officer DIN: 08185777

Place: Hyderabad Date: May 22, 2020

# Shrenik Kumar Champalal

Whole Time Director and Chief Financial Officer DIN: 08099410

Place: Bengaluru Date: May 22, 2020

# **Aruna Mohandoss**

Company Secretary Place: Chennai Date: May 22, 2020

105

# INDEPENDENT AUDITOR'S REPORT

#### 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, 2020, 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, 2020, 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.

# **Emphasis of Matter**

We draw attention to Note 3.1 (v) of the consolidated financial statements which describes the management assessment of the impact of the outbreak of Covid-19 on revenue, trade receivables including unbilled receivables and investments. The management believes that no adjustment is required in the financial statement as it does not impact the current financial year. However, in view of highly uncertain economic environment and its likely effect on future service revenue due to Covid-19, a definitive assessment of the impact on the subsequent periods is dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

# **Key Audit Matters**

106

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
Evaluation of uncertain tax positions  The Group has material uncertain tax positions including matters under dispute which involves significant judgment due to existence of multiple uncertain tax positions leading to disputes / litigations and there are interpretation of various rules and law. It also involves consideration of on-going disputes and disclosures of related contingencies to determine the possible outcome of these disputes  Refer Notes 3.1 (ii) and 20 of the Consolidated financial statements.	Principal Audit Procedures  We performed the following substantive procedures:  Evaluated the design of internal controls relating to the uncertain tax positions and tested the operative effectiveness of these controls.  Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from the management.  We involved our internal experts to challenge the management's underlying assumptions in estimating the tax

#### 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

107

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. 153 Lakhs as at March 31, 2020, total revenues of Nil and net cash outflows amounting to Rs. 396 lakhs 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, 2020 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, 2020 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:
  - 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) UDIN: 20022156AAAAAN5312

109

Chennai, May 22, 2020

#### 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, 2020, 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, 2020, 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) UDIN: 20022156AAAAAN5312

111

Chennai, May 22, 2020

# XCHANGING SOLUTIONS LIMITED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

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

		As at	As at
	Note	Mar 31, 2020	Mar 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	48	31
Right of use assets	5	221	-
Other intangible assets	6	3	5
Goodwill on consolidation	7	15,841	15,841
Financial assets			
Loans	8	218	1,618
Other financial assets	9	-	10
Deferred tax assets (net)	10	338	754
Other non-current assets	11	1,730	1,658
Total non-current assets		18,399	19,917
Current assets			
Financial assets			
Trade receivables	12	2,071	2,877
Cash and cash equivalents	13	32,588	25,691
Bank balances other than above	14	117	247
Loans	8	1,400	250
Other financial assets	9	2,548	2,093
Other current assets	11	170	258
Total current assets		38,894	31,416
Total assets		57,293	51,333
EQUITY AND LIABILITIES			
Equity	4.5	44.440	44.40
Equity share capital	15	11,140	11,140
Other equity	16	38,470	32,182
Total equity		49,610	43,322
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	34	118	<u>.</u>
Provisions	17	333	303
Total non-current liabilities		451	303

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

		As at	As at
	Note	Mar 31, 2020	Mar 31, 2019
Current liabilities			
Financial liabilities			
Lease liabilities	34	113	-
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	18	-	1
Total outstanding dues of creditors other than micro enterprises and small enterprises	18	3,199	3,130
Other financial liabilities	19	31	10
Provisions	17	90	77
Current tax liabilities (net)	20	3,487	4,001
Other current liabilities	21	312	489
Total current liabilities		7,232	7,708
Total liabilities		7,683	8,011
Total equity and liabilities		57,293	51,333

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: Chennai Date: May 22, 2020

### For and on behalf of the Board of Directors

### Chandrasekhara Rao Boddoju

Managing Director and Chief Executive Officer DIN: 08185777

Place: Hyderabad Date: May 22, 2020

### **Shrenik Kumar Champalal**

Whole Time Director and Chief Financial Officer

DIN: 08099410 Place: Bengaluru Date: May 22, 2020

# **Aruna Mohandoss**

Company Secretary

Place: Chennai Date: May 22, 2020

# XCHANGING SOLUTIONS LIMITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

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

		For the year ended	For the year ended
	Note	Mar 31, 2020	Mar 31, 2019
Revenue from operations	22	18,226	18,410
Other income	23	1,268	1,455
Total Income		19,494	19,865
Expenses			
Employee benefits expense	24	7,634	8,825
Finance costs	25	13	1
Depreciation and amortisation expense	26	144	47
Other expenses	27	5,774	5,312
Total expenses		13,565	14,185
Profit before tax		5,929	5,680
Tax expense/ (benefit)			
Current tax	28	1,114	962
Current tax- for the earlier years		(796)	15
Deferred tax	28	141	32
Total tax expense		459	1,009
Profit for the period		5,470	4,671
Other comprehensive income			
<ul><li>(A) (i) Items that will not be reclassified to profit or loss</li><li>Remeasurements of the defined benefit plans</li></ul>		4	35
(ii) Income tax relating to items that will not be reclassified to	nrofit or loss	(1)	(10)
(B) (i) Items that may be reclassified to profit or loss	profit of 1035	(1)	(10)
- Exchange differences in translating the financial statement	ents of foreign operations	1,089	378
(ii) Income tax relating to items that may be reclassified to pro	• .	(274)	(110)
Total other comprehensive income		818	293
Total Comprehensive Income for the period		6,288	4,964
Earnings per Equity Share (of Rs.10 each)	30		
Basic- In Rs	00	4.91	4.19
Diluted- In Rs		4.91	4.19

See accompanying notes to the consolidated financial statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP

**Chartered Accountants** 

For and on behalf of the Board of Directors

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**Bhavani Balasubramanian** Partner

Place: Chennai Date: May 22, 2020 Chandrasekhara Rao Boddoju Managing Director and Chief Executive Officer

DIN: 08185777 Place: Hyderabad Date: May 22, 2020 **Shrenik Kumar Champalal** 

Whole Time Director and Chief Financial Officer DIN: 08099410

Place: Bengaluru Date: May 22, 2020

**Aruna Mohandoss** Company Secretary

Place: Chennai Date: May 22, 2020

# **XCHANGING SOLUTIONS LIMITED** CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

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

### **EQUITY SHARE CAPITAL**

Balance at April 1, 2018 11,140 Changes in equity share capital during the year Balance at March 31, 2019 11,140 Changes in equity share capital during the year Balance at March 31, 2020 11,140

#### **OTHER EQUITY**

Particulars Reserves & Surplus			us	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

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, 2019	361	8,417	23,090	314	32,182
Profit for the year	-	-	5,470		5,470
Other comprehensive income for the year, net of tax	-	-	3	815	818
Balance as of March 31, 2020	361	8,417	28,563	1,129	38,470

See accompanying notes to the consolidated financial statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP

**Chartered Accountants** 

For and on behalf of the Board of Directors

Bhavani Balasubramanian

Partner

Place: Chennai

Date: May 22, 2020

Chandrasekhara Rao Boddoju

Managing Director and Chief Executive Officer

DIN: 08185777 Place: Hyderabad Date: May 22, 2020 **Shrenik Kumar Champalal** 

Whole Time Director and Chief Financial Officer DIN: 08099410

Place: Bengaluru Date: May 22, 2020

**Aruna Mohandoss** 

Company Secretary Place: Chennai Date: May 22, 2020

115

116

# XCHANGING SOLUTIONS LIMITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

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

	(All amounts i	(All amounts in Rs. Lakhs, unless otherwise stated		
		For the year ended	For the year ended	
		Mar 31, 2020	Mar 31, 2019	
A.	CASH FLOW FROM OPERATING ACTIVITIES			
	Profit before tax	5,929	5,680	
	Adjustments for:			
	Depreciation and amortisation expense	144	47	
	Profit on sale of property, plant and equipment	(2)	(8)	
	Foreign exchange loss - unrealised	74	(36)	
	Interest income	(1,042)	(298)	
	Dividend income	-	(542)	
	Provision for doubtful advances	13	78	
	Provision for doubtful debts	-	7	
	Liabilities no longer required written back	-	(211)	
	Other provisions no longer required written back	(120)	(315)	
	Bad debts written off	-	41	
	Finance cost including lease liability (Refer note 34)	13	1	
	Other non cash adjustments	3	25	
	Operating profit before working capital changes	5,012	4,469	
	Changes in working capital:			
	Adjustments for (increase) / decrease in operating assets:			
	Trade receivables	889	329	
	Other current assets	183	41	
	Loans & other financial assets and other assets	(470)	981	
	Adjustments for increase / (decrease) in operating liabilities:			
	Trade payables	(177)	(446)	
	Other financial liabilities and other liabilities	(47)	144	
	Provisions	43	(46)	
	Cash generated from operations	5,433	5,472	
	Taxes paid (net of refunds)	(859)	(658)	
	Net cash generated from operating activities (A)	4,574	4,814	
R	CASH FLOW FROM INVESTING ACTIVITIES			
٥.	Purchase of property, plant and equipment	(40)	(28)	
	Proceeds from sale of property, plant and equipment	2	8	
	Dividend income	_	542	
	Proceeds from loans	250	-	
	Deposits with banks with maturity period more than 3 months but less than 12 months	130	258	
	Deposits with banks with maturity period more than 12 months	-	16	
	Interest received	1,029	289	
	Net cash generated from investing activities (B)	1,371	1,085	

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

	For the year ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment from non-current borrowings	(3)	(8)
Payment of lease liabilities	(107)	-
Finance cost including lease liability (Refer note 34)	(13)	(1)
Net cash used in financing activities (C)	(123)	(9)
Net increase in cash and cash equivalents (A + B + C)	5,822	5,890
Cash and cash equivalents at the beginning of the year	25,691	19,503
Effect of exchange differences on balances with banks in foreign currency	1,075	298
Cash and cash equivalents at the end of the year	32,588	25,691
Cash on hand	-	-
Balances with banks:		
In current accounts	16,486	11,739
Funds in transit	133	-
Demand deposits (less than 3 months maturity)	15,930	13,941
Effect of exchange differences on balances with banks in foreign currency	39	11
Net cash and cash equivalents included in note 13	32,588	25,691
Cash and cash equivalents	32,588	25,691

### Notes:

(1) Figures in brackets indicate cash outflow.

See accompanying notes to the consolidated financial statements

In terms of our report attached.

For	Del	oitte	<b>Haskins</b>	&	Sells	LLP
$\sim$						

Chartered Accountants

Bhavani	Balasubramanian

Partner

Place: Chennai Date: May 22, 2020

#### For and on behalf of the Board of Directors

### Chandrasekhara Rao Boddoju

Managing Director and Chief Executive Officer DIN: 08185777

Place: Hyderabad Date: May 22, 2020

## **Shrenik Kumar Champalal**

Whole Time Director and Chief Financial Officer DIN: 08099410

Place: Bengaluru Date: May 22, 2020

# **Aruna Mohandoss**

Company Secretary Place: Chennai Date: May 22, 2020

117

### NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### 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.

Xchanging Technology Services India Private Limited, ("XTSIPL") sold 15.80% of its holding in the Company constituting 17,599,461 equity shares (15,839,515 Equity Shares sold on June 10, 2019 and 1,759,946 Equity Shares sold on June 11, 2019) of the Company through Offer for Sale during the year. As a result XTSIPL's holding in the Company has reduced to 19.16%. Also refer note 38.

### 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 and relevant amendment rules issued thereafter under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below.

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

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

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

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

The principal accounting policies are set out below:

#### 2.2 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, 2020. 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.

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

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:		2020	2019
Xchanging Solutions (Singapore) Pte Limited	Singapore	100%	100%
Xchanging Solutions (Europe) Limited	<b>United Kingdom</b>	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

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

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

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.

#### 2.6 Leases

As a lessee:

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

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

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

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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

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

In the comparative period, lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

Transition to Ind AS 116

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the Simplified approach and accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The adoption of the new standard resulted in recognition of Right-of-Use (ROU) of Rs. 169 and a lease liability of Rs. 169. The effect of this adoption is insignificant on the profit for the period and earnings per share.

### 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) 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.

#### 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.

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

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

#### 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.

### 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.

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,

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

123

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.

### 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.

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.

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

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 Classification of financial assets

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

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

For the impairment policy on financial assets measured at amortised cost, refer Note 2.15.3

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.

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 2.15.3All 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

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

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 <u>Derecognition of financial assets</u>

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

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

#### 2.15.5 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 <u>Financial liabilities subsequently measured at amortised cost</u>

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.

125

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

### 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 32.

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.

#### 2.21 Segment Reporting

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

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the 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.

#### 2.22 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity

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

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

#### 2.23 Project work expenses

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

#### 2.24 GST input credit

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

### 2.25 Operating Cycle

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

### 3. Critical accounting judgements and key sources of estimation uncertainty

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

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

#### 3.1 Critical judgements in applying accounting policies

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

- i) 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 28.
- iii) Fair value measurements and valuation processes- 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.
- iv) Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. Refer note no 2.6
- v) Estimation uncertainty relating to COVID-19 outbreak- The Group has considered internal sources of information up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Group has used the principles of prudence in applying judgments, estimates and assumptions and based on the

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

current estimates, the Group expects to fully recover the carrying amount of trade receivables including unbilled receivables. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

		As at	As at
		Mar 31, 2020	Mar 31, 2019
(	PROPERTY, PLANT AND EQUIPMENT Refer note 2.10 and 2.12) Owned unless specified)		
C	Carrying amounts of:		
L	easehold Improvements	10	-
	Computers	30	22
\	/ehicles	-	-
	Office Equipment	5	9
F	Furniture and Fittings	3	-
		48	31

### The changes in the carrying value for the year ended March 31, 2020

Particulars	Leasehold Improvements	Computers	Vehicles	Office Equipment	Furniture and Fittings	Total
Gross carrying value						
Balance as at April 1, 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
Additions	15	25	-	2	3	45
Disposals	-	(242)	(28)	(20)	-	(290)
Translation	-	5	-	-	-	5
Balance as at March 31, 2020	15	933	-	151	13	1,112
Accumulated depreciation						
Balance as at April 1, 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
Depreciation expense	5	17	-	6	-	28
Eliminated on disposals of assets	-	(242)	(28)	(20)	-	(290)
Translation	-	5	-	-	-	5
Balance as at March 31, 2020	5	903	-	146	10	1,064
Carrying value as at March 31, 2020	10	30	-	5	3	48
Carrying value as at March 31, 2019	-	22	-	9	-	31

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

129

# 5 MOVEMENT IN RIGHT OF USE ASSETS:

(Refer note 2.6)

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

Particulars	Leasehold Improvements
Balance as at April 1, 2019	-
Reclassified on account of adoption of IND AS 116	169
Additions	165
Depreciation	(113)
Balance as at March 31, 2020	221

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

		As at	As at
		Mar 31, 2020	Mar 31, 2019
6	OTHER INTANGIBLE ASSETS		
	(Refer note 2.11 and 2.12)		
	Carrying amounts of:		
	Computer software	3	5
		3	5

Particulars	Computer software	Total
Gross carrying value		
Balance as at April 1, 2018	56	56
Additions	8	8
Disposals	-	-
Translation	-	-
Balance as at March 31, 2019	64	64
Additions	1	1
Disposals	(1)	(1)
Translation	-	-
Balance as at March 31, 2020	64	64
Accumulated amortisation		
Balance as at April 1, 2018	52	52
Amortisation expense	7	7
Disposals	-	-
Translation	-	-
Balance as at March 31, 2019	59	59
Amortisation expense	3	3
Disposals	(1)	(1)
Translation	-	-
Balance as at March 31, 2020	61	61
Carrying value as at March 31, 2020	3	3
Carrying value as at March 31, 2019	5	5

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

	As at	As at
	Mar 31, 2020	Mar 31, 2019
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
Particulars	As at	As at
	Mar 31, 2020	Mar 31, 2019
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

#### 7.1 Allocation of goodwill to cash-generating units

130

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 11% p.a. (2019: 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. (2019: 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, 2020, 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	As at
	Mar 31, 2020	Mar 31, 2019
LOANS		
(Refer note 2.15 and 2.18)		
Carring amount of :		
Unsecured, considered good unless otherwise stated		
Non-current		
Loans to fellow subsidiaries [Refer note 33]	218	1,618
	218	1,618
<u>Current</u>		
Loans to fellow subsidiaries [Refer note 33]	1,400	250
	1,400	250

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

131

	As at	As at
	Mar 31, 2020	Mar 31, 2019
OTHER FINANCIAL ASSETS		
(Refer note 2.4, 2.15 and 2.18)		
Unsecured considered good unless otherwise stated		
Non-current		
Security deposits	-	10
		10
Current		
Expenses recoverable from fellow subsidiaries [Refer note 33]:	21	40
Security deposits		
- Considered good	192	186
- Considered doubtful	24	21
(Less): Provision for doubtful advances	(24)	(21)
Unbilled revenue	2,217	1,782
Interest accrued on loans to fellow subsidiaries [Refer note 33]	15	33
Interest accrued on bank deposits	44	13
Other Loans and advances (includes government grant, advances		
to employees and other receivables)		
- Considered good	59	39
- Considered doubtful	17	35
(Less): Provision for doubtful advances	(17)	(35)
	2,548	2,093

## 10 DEFERRED TAX ASSETS (NET)

[Refer note 2.9 and 3.1.(ii)]

9

Details of deferred tax assets and liabilities as at March 31, 2020 comprise of the following:

Particulars	As at Apr 1, 2019	(Credit)/ Charged to Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at Mar 31, 2020
Deferred Tax Assets				
Depreciation	187	41	-	146
Provision for gratuity	88	9	1	78
Provision for compensated absences	22	(6)	-	28
Provision for other employee benefits	19	4	-	15
Provision for doubtful debts	362	32	-	330
Provision for doubtful advances	175	57	-	118
Adjustment for lease	-	(2)	-	2
Exchange differences in translating the				
financial statements of foreign operations	63	-	-	63
Others	20	6	-	14
Total (A)	936	141	1	794
Deferred Tax Liabilities				
Exchange differences in translating the financial				
statements of foreign operations	(182)	-	274	(456)
Total (B)	(182)	-	274	(456)
Deferred Tax Assets (Net) (A)-(B)	754	141	275	338

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

# As at March 31, 2019

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

# 10.1 Unrecognised taxable temporary differences associated with investments and interests

Particulars	As at	As at
	Mar 31, 2020	Mar 31, 2019
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	457	280
Total	457	280
OTHER ASSETS (Refer note 2.24) Unsecured considered good unless otherwise stated		
Non-current		
Prepaid Expenses	7	13
Advances recoverable in kind	1,486	1,466
Balances with Government Authorities (Service tax & GST)		
- Considered good	237	179
- Considered doubtful	429	548
(Less): Provision for doubtful advances	(429)	(548)
	1,730	1,658
Current		
Balances with Government Authorities (GST)	78	116
Prepaid Expenses	67	111
Other Loans and advances	25	31
	170	258

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

133

	As at	As at
	Mar 31, 2020	Mar 31, 2019
2 TRADE RECEIVABLES		
(Refer note 2.15, 32 and 33) (Unsecured)		
Considered good	2,071	2,877
Considered doubtful	1,309	1,271
Less: Provision for doubtful trade receivables	(1,309)	(1,271)
	2,071	2,877
Note:		

The credit period ranges from 0 to 45 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 1,211 (2019: Rs 1,533)

#### 13 CASH AND CASH FOUIVALENTS

13	CASH AND CASH EQUIVALENTS		
	(Refer note 2.19)		
	Balances with banks		
	In current accounts	16,525	11,750
	Funds in transit	133	-
	In demand deposit accounts (less than 3 months maturity)	15,930	13,941
	Cash on hand	-	-
	Cash and cash equivalent as per consolidated statement of cash flow	32,588	25,691
14	OTHER BANK BALANCES		
	Long Term Deposit with maturity more than 3 months but less than 12 months	117	247
		117	247
	Fixed Deposits with Banks include: Rs. 117 (2019: Rs. 136) which are under lien		
15	EQUITY SHARE CAPITAL Authorised capital:		
	125,000,000 (2019: 125,000,000) Equity shares of Rs.10 each	12,500	12,500
	Issued, subscribed and paid up capital:		
	111,403,716 (2019: 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:

	As a	it	As	at
	Mar 31,	2020	Mar 31,	2019
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.

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

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

Name of Shareholder	As at Mar 31, 2020  Number of Shares	As at Mar 31, 2019 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*	21,348,838	38,948,299
	79,351,625	96,951,086

<sup>\*</sup>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:

	Α	s at	As	s at	
	Mar 31, 2020 Ma		Mar 3	ar 31, 2019	
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	21,348,838	19.16	38,948,299	34.96	

		As at	As at
		Mar 31, 2020	Mar 31, 2019
16	OTHER EQUITY		
	Capital reserve	361	361
	Security premium	8,417	8,417
	Foreign currency translation reserve	1,129	314
	Retained earnings	28,563	23,090
		38,470	32,182
<u>16.1</u>	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.

#### 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.

### 16.3 Foreign currency translation reserve

Balance at the beginning of the year	314	46
Add: Exchange difference arising on translating the foreign operations net of income tax	815	268
Balance at the end of the year	1,129	314

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.

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

Mar 31, 2020 23,090 5,470	<b>Mar 31, 2019</b> 18,394
	18,394
	18,394
5,470	
	4,671
3	25
28,563	23,090
after taxes.	
84	61
249	242
333	303
	-
28	17
62	60
90	77
	-
• •	1
2,187	1,666
200	
	1,346
	118
3,199	3,130
3,199	3,131
)	28,563 after taxes.  84 249 333 28 62 90 90 90 0) orises 2,187 936 76 3,199

- (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:
  - (a) Principal amount remaining unpaid
    (b) Interest due thereon remaining unpaid
    (c) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period
    (d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006
    (e) Interest accrued and remaining unpaid
    -</l

Annual Report 2019-20 Xchanging Solutions Limited

date when the interest dues as above are actually paid to the small enterprises

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

		As at	As at
		Mar 31, 2020	Mar 31, 2019
19	OTHER FINANCIAL LIABILITIES (Refer note 2.7 and 2.16)		
	Current maturities of non-current borrowings	-	3
	Payable on purchase of property, plant and equipment	13	7
	Other financial liabilities	18	-
		31	10
20	CURRENT TAX ASSETS AND LIABILITIES (Refer note 2.9 and 3.1.(ii))		
	Current tax assets		
	Tax refund receivable	4,615	3,731
		4,615	3,731
	Current tax liabilities		
	Income tax payable	8,102	7,732
		8,102	7,732
		3,487	4,001
21	OTHER CURRENT LIABILITIES (Refer note 2.4 and 2.7)		
	Income received in advance (Unearned revenue)		
	- Fellow subsidiaries [Refer note 33]	-	49
	- Others	62	225
	Statutory remittances (Contributions to PF, ESIC, Withholding Taxes, GST etc.)	139	205
	Security deposits	67	-
	Advances from customers	44	10
		<u>312</u>	489
		For the year ended	For the year ended
		Mar 31, 2020	Mar 31, 2019
22	REVENUE FROM OPERATIONS (Refer note 2.4, 29 and 33)		
	Software services	18,226	18,410
		18,226	18,410
			-

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2020 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.

	For the year ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
T&M and AMC	16,456	16,303
Fixed Price	1,770	2,107
Total	18,226	18,410

The Group has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to render services (ii) onerous obligations (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Group has concluded that the impact of COVID-19 is not material based on such evaluation. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

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

		For the year ended	For the year ended
		Mar 31, 2020	Mar 31, 2019
	OTHER INCOME		
,	Refer note 2.5 and 2.7)		
а	<ul> <li>Interest Income (at amortised cost)</li> <li>Interest income earned on financial assets that are not designated as fair value through profit or loss:</li> </ul>	s at	
	Bank deposits	845	74
	Loans to fellow subsidiaries [Refer note 33]	197	224
		1,042	298
h	) Dividend income	-	
D	Dividends from mutual funds	-	542
	All dividends from mutual funds carried at fair value through P&L reco		
С	Other non-operating income (net of expenses directly attributable to s	such income)	
	Other provisions no longer required written back	120	315
	Liabilities no longer required written back	-	211
	Others (aggregate of immaterial items)	24	35
		144	561
d	) Other gains and losses		
	Profit on sale of property, plant and equipment (net)	2	8
	Profit on redemption of mutual funds	-	2
	Foreign exchange gain (net)	80	44
		82	54
	(a+b+c+d)	1,268	1,455
(1	MPLOYEE BENEFITS EXPENSE Refer note 2.8 and 31)		
	Salaries and wages including bonus	6,788	
L	ess: Towards government grant (Refer note 43)	<u>(48)</u> 6,740	7,896
	Contribution to provident and other funds [Refer note 31]	206	248
	Gratuity expenses [Refer note 31]	56	70
S	Staff welfare expenses	632	611
		<del>7,634</del>	<u>8,825</u>
	FINANCE COSTS Refer note 2.6)		
	nterest expenses on borrowings (not classified as at FVTPL)	-	1
	nterest expenses on lease liabilities	13	-
	·	13	1
	DEPRECIATION AND AMORTISATION EXPENSE	<del></del>	
	Refer note 2.6, 2.10, 2.11 and 2.18) Depreciation of property, plant and equipment [Refer note 4]	28	40
	Depreciation of property, plant and equipment [Heler note 4] Depreciation of right of use of assets [Refer note 5]	113	40
	mortisation of intangible assets [Refer note 6]	3	7
-	2 2	144	47
			=====

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

	For the year ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
OTHER EXPENSES		
(Refer note 2.6, 2.7, 2.13, 2.18 and 2.23)		
Project work expenses	4,483	3,874
Power and fuel	35	42
Rental expenses*	19	177
Repairs and maintenance:		
Computer equipments	170	190
Others	58	66
Insurance	55	60
Rates and taxes	17	12
Communication	199	216
Travelling and conveyance	118	178
Business promotion	18	46
Training and development	1	1
Net Loss on FV changes in current investments carried at FVTPL	· -	5
Expenditure towards Corporate Social Responsibility (CSR) activities [Refer note 37]	21	20
Legal and professional	365	57
Payments to auditors (Refer Note (i) below)	120	128
Provision for doubtful debts (net)	120	7
Bad debts written off	_	41
Provision for doubtful advances	13	78
	41	_
Directors' sitting fees Miscellaneous expenses	41	29
Miscellaneous expenses		85 
	<u> </u>	<u>5,312</u>
* Represents lease rentals for short term leases and leases of low value assets		
Note:		
(i) Payments to the auditors comprise (net of taxes, where applicable):		
Statutory audit	68	73
o tatation y and an		. •
Limited review of quarterly financial results	44	44
· · · · · · · · · · · · · · · · · · ·		
Limited review of quarterly financial results	44	44
Limited review of quarterly financial results Tax audit	44 6	44
Limited review of quarterly financial results  Tax audit  Certifications	44 6 2 	44 6 4 1
Limited review of quarterly financial results  Tax audit  Certifications	44 6	44 6 4 1
Limited review of quarterly financial results Tax audit Certifications Out-of-pocket expenses  INCOMETAXES	44 6 2 	44 6 4 1
Limited review of quarterly financial results Tax audit Certifications Out-of-pocket expenses  INCOMETAXES (Refer note 2.9 and 3.1.(ii))	44 6 2 	44 6 4 1
Limited review of quarterly financial results Tax audit Certifications Out-of-pocket expenses  INCOMETAXES (Refer note 2.9 and 3.1.(ii))  1. Income tax recognised in profit or loss	44 6 2 	44 6 4 1
Limited review of quarterly financial results Tax audit Certifications Out-of-pocket expenses  INCOMETAXES (Refer note 2.9 and 3.1.(ii))  1. Income tax recognised in profit or loss Current tax	44 6 2 - 120	44 6 4 1 128
Limited review of quarterly financial results Tax audit Certifications Out-of-pocket expenses  INCOMETAXES (Refer note 2.9 and 3.1.(ii))  1. Income tax recognised in profit or loss Current tax In respect of current year	44 6 2 	44 6 4 1 128
Limited review of quarterly financial results Tax audit Certifications Out-of-pocket expenses  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 Deferred tax	1,114	44 6 4 1 128
Limited review of quarterly financial results Tax audit Certifications Out-of-pocket expenses  INCOMETAXES (Refer note 2.9 and 3.1.(ii))  1. Income tax recognised in profit or loss Current tax In respect of current year	44 6 2 - 120	44 6 4 1

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

139

	For the year ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
2. The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	5,929	5,680
Income tax expense calculated at 25.168% (2019: 29.120%)	1,492	1,654
Effect of notional income recognised for taxation	196	226
Effect of income that is exempt from taxation	118	(170)
Effect of inadmissible expenses	-	14
Effect of change in tax rate (Refer note 39)	(190)	(290)
Effect of depreciation taken in returns	(118)	-
Effect of carry forward loss adjustment	(229)	(424)
Effect of admissible deductions	-	(2)
Others	(14)	(14)
Income tax expense recognised in Profit and Loss	1,255	994

The income tax rate used for the above reconciliations is current tax 25.168% (2019: 29.120%) and Deferred tax 25.168% (2019: 29.120%), these are the corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law.

# 3. Income tax recognised in other comprehensive income:

1				
ın	CO	me	2 12	ıx.

Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation  Exchange differences in translating the financial statements of foreign operations	(1)	(10)
exchange differences in translating the financial statements of foreign operations		
Total	(1)	(10)
Deferred tax  Arising on income and expenses recognised in other comprehensive income:  Remeasurement of defined benefit obligation		
Exchange differences in translating the financial statements of foreign operations	(274)	(110)
Total	(274)	(110)
Total income tax recognised in other comprehensive income	(275)	(120)
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(1)	(10)
Items that may be reclassified to profit or loss	(274)	(110)

## 29 SEGMENT INFORMATION

(Refer note 2.21)

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

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, 2020	Mar 31, 2019
Europe	1,345	1,790
USA	10,209	9,692
India	1,068	1,308
Singapore	5,163	5,212
Rest of the World	441	408
	18,226	18,410

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

Balance of customers with more than 10% of total revenue amounts to Rs 10,654 (2019: Rs. 7,380)

	segment a	Carrying amount of segment assets by location of the assets		Addition to Fixed Assets/Right of use assets	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019	
Europe	340	623	-	-	
USA	12,858	10,591	-	-	
India	20,829	17,745	209	28	
Rest of the World	22,927	21,620	2	6	
	56,955	50,579	211	34	
		For the y	/ear ded	For the year ended	
		Mar 31, 2	020	Mar 31, 2019	

#### 30 **EARNINGS PER SHARE**

(Refer note 2.22)

Basic earnings per snare		
Profit for the year after tax	5,470	4,671
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.) 4.91 4.19

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.) 4.91 4.19

#### **EMPLOYEE BENEFITS EXPENSE**

(Refer note 2.8)

#### (a) Defined Contribution Plans

Provident Fund and Other Funds: During the year, the Group has recognised Rs. 206 (2019: Rs. 248) 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.

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

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	As at
	Mar 31, 2020	Mar 31, 2019
(i) Movement in Present Value of the Defined benefit obligation		
Balance at the beginning of the year	302	357
Current Service Cost	37	47
Interest Cost	19	23
Actuarial (Gains) / Losses- Demographic Actuarial (Gains) / Losses- Financial	6	(9)
Actuarial (Gains) / Losses- Experience	(10)	(26)
Benefits paid	(43)	(90)
Present Value of Defined benefit obligation at the end of the year	311	302
(ii) Assets and Liabilities recognised in the Balance Sheet		
Present Value of Defined Benefit Obligation	311	302
Amounts recognised as liability	311	302
Recognised under:		
Non-current provisions (Refer note 17)	249	242
Current provisions (Refer note 17)	62	60
	311	302
	For the year	For the year ended
	ended Mar 31, 2020	Mar 31, 2019
(iii) Amounts recognised in statement of profit and loss in respect of		
these defined benefit plans are as follows.		
Current Service Cost	37	47
Interest Cost	19	23
Components of defined benefit costs recognised in profit or loss	56	70
Remeasurement on the net defined benefit liability:		
Actuarial (Gain) / Loss due to Demographic Assumption changes	-	-
Actuarial (Gain) / Loss due to Financial Assumption changes	6	(9)
Actuarial (Gain) / Loss due to Experience	(10)	(26)
Components of defined benefit costs recognised in other comprehensive income	(4)	(35)
Total	52	35
	As at	As at
	Mar 31, 2020	Mar 31, 2019
(iv) Actuarial Assumptions		
Discount Rate	5.95%	6.95%
Attrition Rate	20%	20%
Increase in Compensation Cost	6.25%	6.75%
Retirement Age	60	60
(v) Expected Future Cashflows		
Particulars	March 31, 2020	March 31, 2019
Year 1	62	60
Year 2	54	53
Year 3	54	46
Year 4	42	46
Year 5	36	36

Annual Report 2019-20

(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, 2020

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

#### 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

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.

#### 32 FINANCIAL INSTRUMENTS

# 32.1 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 note 19) and total equity of the Group. The Group is not subject to any externally imposed capital requirements.

#### 32.1.1 Debt equity ratio

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

Particulars	As at	As at Mar 31, 2019	
	Mar 31, 2020		
Debt (i)	-	3	
Net debt	-	3	
Total equity	49,610	43,322	
Net debt to equity ratio	-	0.00	

- (i) Debt is defined as long-term and current maturities (excluding derivative, financial guarantee contracts and contingent consideration), as described in note 19.
- (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)

143

_	Particulars	As at	As at
		Mar 31, 2020	Mar 31, 2019
32.2	Categories of financial instruments		
	Financial assets		
	Measured at amortised cost		
	(a) Cash and bank balances	32,588	25,691
	(b) Bank balances other than above	117	247
	(c) Other financial assets at amortised cost	6,237	6,848
	Financial liabilities		
	Measured at amortised cost		
	Lease liabilities	231	-
	Other financial liability at amortised cost	3,230	3,141

### 32.3 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.

#### 32.4 Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note 32.5).

### 32.5 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	Liabilitie	Liabilities as at			
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019	
GBP	152	170	68	523	
USD	1,643	1,739	15,650	12,117	
Others*	1,174	960	5,654	4,608	
Total	2,969	2,869	21,372	17,248	

<sup>\*</sup> Others include currencies such as SGD, EUR, MYR, AUD, VND and NZD.

### 32.5.1 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.

Annual Report 2019-20 Xchanging Solutions Limited

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

Particulars	•	Impact on profit or loss for the year		
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
GBP sensitivity				
Increase by 10%	(8)	35	(8)	35
Decrease by 10%	8	(35)	8	(35)
USD sensitivity				
Increase by 10%	1,401	1,038	1,401	1,038
Decrease by 10%	(1,401)	(1,038)	(1,401)	(1,038)
Others sensitivity*				
Increase by 10%	448	365	448	365
Decrease by 10%	(448)	(365)	(448)	(365)

<sup>\*</sup> Others include currencies such as SGD, EUR, MYR, AUD, VND and NZD.

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.

### 32.6 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.

### 32.7 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	<u> </u>	asset is written off		

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

145

Particulars		Category	1	Asset group	Estimated gross	Expected probability	Expected credit	Carrying amount
March 31, 2020 (a) Expected credit I assets at amortis	oss for loans and other financial ed cost				carrying amount at default	of default	losses	net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	1	ans at rtised cost	1,618	0%	-	1,618
		High quality assets, negligible credit risk	fina ass	Other ancial ets at rtised cost	80	0%	-	80
		Standard assets, moderate credit risk	fina ass	Other ancial ets at rtised cost	2,509	2%	42	2,468
(b) Expected credit lo	oss for trade receivables under simplifie	ed approach			J			
Ageing			0-30 Days	31-60 Days	1	91-180 Days	180+ Days	Total outstanding
Gross carrying amount			1,422	339	9 147	122	1,350	3,380
Expected loss rate			0%	0%	6 0%	0%	97%	39%
Expected credit losses (	Loss allowance provision)		-			-	1,309	1,309
Carrying amount of tra	de receivables (net of impairment)		1,422	339	147	122	41	2,071

Particulars		Category	Asset group	Estimated gross	Expected probability	Expected credit	Carrying amount
March 31, 2019 (a) Expected credit I assets at amortis	oss for loans and other financial			carrying amount at default	of default	losses	net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	Loans at amortised cost	1,868	0%	-	1,868
		High quality assets, negligible credit risk	Other financial assets at amortised cost	86	0%	-	86
		Standard assets, moderate credit risk	Other financial assets at amortised cost	2,073	3%	56	2,017

Annual Report 2019-20 Xchanging Solutions Limited

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

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

Ageing	0-30	31-60	61-90	91-180	180+	Total
	Days	Days	Days	Days	Days	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

### 32.8 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.

### 32.8.1 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, 2020 Non-interest bearing Fixed interest rate instruments		3,230			3,230
March 31, 2019		3,230	-	-	3,230
Non-interest bearing Fixed interest rate instruments	10.0%	3,138 3	-	- -	3,138 3
		3,141	-	-	3,141

### 32.9 Fair value measurements

### 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 as at March 31, 2020 and March 31, 2019

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2020 and March 31, 2019

### **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.

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.

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

### 33 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 Holdings Limited

Xchanging B.V.

Immediate holding company Xchanging (Mauritius) Limited, Mauritius ('XML, Mauritius')

(ii) Key Managerial Personnel (KMP)

Executive Director & Chief Financial Officer Executive Director & Chief Executive Officer

Company Secretary
Company Secretary

Shrenik Kumar Champalal Chandrasekhara Boddoju Rao Mayank Jain (Upto October 31, 2019) Aruna Mohandoss (from November 13, 2019)

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

**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')

DXC Technology Services Vietnam Co, Vietnam ('DXC, Vietnam')

EIT Services India Private Limited, India ('EIT, India')

E Services Singapore Pte.Ltd, Singapore ('E - Services, Singapore')

Ins-Sure Services Limited, UK ('Ins-Sure, UK')

ESIT Canada Enterprise Services Co, Canada ('ESIT, Canada')

CSC Consulting Inc., USA ('CSC Consulting, USA') Enterprise Services LLC, USA ('Enterprise, USA') CSC Corp - FSG US, USA ('CSC Corp, USA')

MSS-Americas Outsourcing, USA ('Americas Outsourcing, USA')

CSC Japan LLC, Japan ('CSC, Japan')

Xchanging Pty Limited, Australia ('Xchanging, Australia')

Service Mesh Inc., USA ('Service, USA') (effective from current financial year)

Enterprise Services New Zealand, New Zealand ('Enterprise Services, New Zealand')

147

(effective from current financial year)

Annual Report 2019-20 Xchanging Solutions Limited

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

Summary of transactions with related parties is as follows:	Hold compa		Fello subsid		Total	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 201
Expenses paid on behalf of the Group:						
XUKL, UK	-	-	55	84	55	84
XTSIPL, India	-	-	1,527	734	1,527	734
XSSI, USA	-	-	-	5	-	5
DXC, India	-	-	118	171	118	171
CSC, Singapore	-	-	891	655	891	655
XAPSB, Malaysia	-	-	-	56	-	56
XSPL, Singapore	-	-	-	17	-	17
DXC, Vietnam	-	-	308	104	308	104
E - Services, Singapore	-	-	201	-	201	-
Enterprise, USA	-	-	271	-	271	-
Service, USA	-	-	28	-	28	-
Enterprise Services, New Zealand	-	-	10	-	10	-
EIT, India	-	-	103	46	103	46
Total	-	-	3,512	1,872	3,512	1,872
Expenses paid on behalf of the related party:						
XSPL, Singapore	-	-	-	88	-	88
CSC, Singapore	-	-	19	-	19	-
XTSIPL, India	-	-	335	337	335	337
XAPSB, Malaysia	-	-	-	323	-	323
CSC, USA	3	-	-	-	3	-
XPSL, UK	-	-	-	1	-	1
Total	3	-	354	749	357	749
nterest income on loans:						
XTSIPL, India	-	-	108	108	108	108
XBPL, India	-	-	89	116	89	116
Total	-	-	197	224	197	224
Revenue:	•					
XGISL, UK	-	-	42	223	42	223
XAPSB, Malaysia	-	-	172	27	172	27
XTSIPL, India	-	-	60	-	60	-
DXC, India	-	-	552	598	552	598
CSC, Germany	-	-	-	14	-	14
CSC, Singapore	-	-	920	528	920	528
E - Services, Singapore	-	-	207	92	207	92
Ins-Sure, UK	-	-	223	240	223	240
ESIT, Canada	-	-	-	1	-	1
EIT, India	_	_	30	40	30	40

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

149

CSC Consulting, USA	-	-	16	56	16	56
Enterprise, USA	-	-	430	4	430	4
CSC Corp, USA	-	-	120	157	120	157
Americas Outsourcing, USA	-	-	103	190	103	190
CSC, Japan	-	-	-	6	-	6
XSPL, Singapore	-	-	-	1	-	1
Total	-	•	2,875	2,177	2,875	2,177
Other Income:						
XTSIPL, India	-	-	-	3	-	3
Total	-	-	-	3	-	3
Purchase of Asets:						
EIT, India	-	-	18	-	18	-
Total	-	-	18	-	18	-

### Note:

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

Summary of balances of related parties is as follows:		Holding companies		ow iaries	Total	
	As at					
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Trade Receivables:	-					
XAPSB, Malaysia	-	-	15	387	15	387
XGISL, UK	-	-	8	22	8	22
XTSIPL, India	-	-	104	124	104	124
DXC, India	-	-	42	40	42	40
CSC, Singapore	-	-	72	281	72	281
Ins-Sure, UK	-	-	19	75	19	75
EIT, India	-	-	4	48	4	48
CSC Consulting, USA	-	-	3	27	3	27
Enterprise, USA	-	-	299	4	299	4
Americas Outsourcing, USA	-	-	-	7	-	7
CSC Corp, USA	-	-	11	25	11	25
CSC, Japan	-	-	-	6	-	6
E - Services, Singapore	-	-	15	67	15	67
Total	-	-	592	1,113	592	1,113
Frade Payables:	•				•	
XUKL, UK	-	-	50	39	50	39
XGISL, UK	-	-	101	97	101	97
XTSIPL, India	-	-	411	152	411	152
XAPSB, Malaysia	-	-	-	55	-	55
DXC, India	-	-	-	18	-	18
CSC, Singapore	-	-	318	302	318	302
CSC, USA	873	855	-	-	873	855
Xchanging, Australia	-	-	-	8	-	8
EIT, India	-	-	65	50	65	50

Annual Report 2019-20 Xchanging Solutions Limited

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

Americas Outsourcing, USA (Unearned revenue)	-	-	-	49	-	49
E - Services, Singapore	-	-	222	-	222	-
Enterprise, USA	-	-	72	-	72	-
Service, USA	-	-	7	-	7	-
Enterprise Services, New Zealand	-	-	10	-	10	-
DXC, Vietnam	-	-	58	90	58	90
Total	873	855	1,314	860	2,187	1,715
Expenses Recoverable:						
XTSIPL, India	-	-	11	1	11	1
DXC, India	-	-	10	39	10	39
Total	-	-	21	40	21	40
Loans and Advances (including interest accrued):						
XTSIPL, India	-	-	908	916	908	916
XBPL, India	-	-	725	985	725	985
Total	-	-	1,633	1,901	1,633	1,901

### 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	For the year ended
	Mar 31, 2020	Mar 31, 2019
Salaries, bonus, etc.	62	95
Total	62	95

#### 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.

### 34 LEASES

	As at
	Mar 31, 2020
A. Break-up of current and non-current lease liabilities:  The following is the break-up of current and non-current lease liabilities as	s at March 31, 2020
Current lease liabilities	113
Non-current lease liabilities	118
Total	231
	As at
	Mar 31, 2020
B. Movement in Lease liabilities :	
The following is the movement in lease liabilities during the year ended M	arch 31, 2020
Balance as at April 1, 2019	-
Reclassified on account of adoption of IND AS 116 (Refer note 2.4)	169
Additions	165
Finance costs accrued during the period	13
Payment of Lease liabilities	(120)
Translation difference	4
Balance as at March 31, 2020	231

	(All amounts in Rs. Lakhs, unless
As at	
Mar 31, 2020	
	The table below provides details regarding the contractual maturities of lease liabilities as at Marundiscounted basis:
125	Less than one year
131	One to five years
	More than five years
<u>256</u>	Total
Amount in	_
Rs. Lakhs	
	The impact of changes in acounting policy on account of adoption of Ind AS 116 is as follows:
231	Increase in lease liability by
221	Increase in rights of use by
2	Increase in deferred tax assets by
13	Increase in finance cost by
113	Increase in depreciation by
r the year ended	<u>FC</u>
Mar 31, 2020	
10	Amounts recognized in profit or loss:
13 19	Interest on lease liabilities
	Expenses relating to short- term leases
r the year ended	For the second s
Mar 31, 2020	
120	Amounts recognized in statement of cash flows  Total cash outflows for leases
en retrospectively	Effective April 1, 2019, the Group adopted Ind AS 116 "Leases", applied to all lease contracts existing on the Simplified approach and accordingly, comparatives for the year ended March 31, 2019 have not be adjusted. The adoption of the new standard resulted in recognition of Right-of-Use (ROU) of Rs. 169 and
	Rs. 169. The effect of this adoption is insignificant on the profit for the period and earnings per share.
As at	
As at Mar 31, 2019	Rs. 169. The effect of this adoption is insignificant on the profit for the period and earnings per share.
	Rs. 169. The effect of this adoption is insignificant on the profit for the period and earnings per share.  As at
	Rs. 169. The effect of this adoption is insignificant on the profit for the period and earnings per share.  As at  Mar 31, 2020
Mar 31, 2019	Rs. 169. The effect of this adoption is insignificant on the profit for the period and earnings per share.  As at  Mar 31, 2020  PITAL AND OTHER COMMITMENTS  Capital Commitments  Estimated value of contracts in capital account remaining to be executed (net of advances)  4
Mar 31, 2019	Rs. 169. The effect of this adoption is insignificant on the profit for the period and earnings per share.  As at  Mar 31, 2020  PITAL AND OTHER COMMITMENTS  Capital Commitments  Estimated value of contracts in capital account remaining to be executed (net of advances)  4  NTINGENT LIABILITIES
Mar 31, 2019	Rs. 169. The effect of this adoption is insignificant on the profit for the period and earnings per share.  As at  Mar 31, 2020  PITAL AND OTHER COMMITMENTS  Capital Commitments  Estimated value of contracts in capital account remaining to be executed (net of advances)  4  INTINGENT LIABILITIES  efer note 2.13)
Mar 31, 2019	Rs. 169. The effect of this adoption is insignificant on the profit for the period and earnings per share.  As at  Mar 31, 2020  PITAL AND OTHER COMMITMENTS  Capital Commitments  Estimated value of contracts in capital account remaining to be executed (net of advances)  4  NTINGENT LIABILITIES  efer note 2.13)  Claims against the Company not acknowledged as debts:
Mar 31, 2019	Rs. 169. The effect of this adoption is insignificant on the profit for the period and earnings per share.  As at  Mar 31, 2020  PITAL AND OTHER COMMITMENTS  Capital Commitments  Estimated value of contracts in capital account remaining to be executed (net of advances)  4  INTINGENT LIABILITIES  efer note 2.13)
Mar 31, 2019 2	Rs. 169. The effect of this adoption is insignificant on the profit for the period and earnings per share.  As at  Mar 31, 2020  PITAL AND OTHER COMMITMENTS  Capital Commitments  Estimated value of contracts in capital account remaining to be executed (net of advances)  4  NTINGENT LIABILITIES  efer note 2.13)  Claims against the Company not acknowledged as debts: Income tax matters [Note (b)]  1,270

- (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 1,821, 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.

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

- (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.

### 37 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Sec 135 of the Companies Act, 2013 applicable in the current year, gross amount required to be spent by the Company during the year is Rs 21 (2019: Rs 20) on various CSR initiatives. Amount spent during the year are mentioned below:

Sector in which the project is covered	Particulars	For the	For the
		year ended	year ended
		Mar 31, 2020	Mar 31, 2019
Education of underprivileged children	U&I Trust	21	-
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	ВНИМІ	-	-
Eradicating hunger, poverty and malnutrition	The Akshaya Patra Foundation	-	*
Total		21	20
* Amount spent is Rs 25,000/-			

### 38 Open offer and minimum public shareholding (MPS)

Pursuant to an offer for sale undertaken on June 10, 2019 and June 11, 2019, Xchanging Technology Services India Private Limited, a promoter of the Company, sold 17,599,461 equity share representing 15.8% of the share capital of the Company, thereby increasing the public shareholding to 25%. On completion of the offer for sale on June 11, 2019, the promoter shareholding in the Company is at 75% and the public shareholding is at 25% thereby complying with the minimum public shareholding requirements under Rule 19A of the Securities Contract Regulation Rules, 1957.

39 The Company has adopted the option of lower tax rate as provided in the Taxation Law Amendment Act, 2019 and the consequent impact on the tax expense has been considered for the year ended March 31, 2020.

### 40 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.

41 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Entity	Net assets, i.e., total assets minus total liabilities		Share in profit for the year of March 31, 2	ended	Share in other comprehensive income for the year ended March 31, 2020		Share in total comprehensive for the year e March 31, 2	income ended
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	other comprehensive		Amount
Xchanging Solutions Limited*  Indian Subsidiaries  Nexplicit Infotech India Private Limited	124%	(60,732) (93)	41%	2,269	818	100%	3,087	100%

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

Entity	Net assets, i.e., total assets minus total liabilities		Share in profit/(loss) for the year ended March 31, 2020		Share in other comprehensive income for the year ended March 31, 2020		Share in total other comprehensive income for the year ended March 31, 2020			
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income		consolidated other comprehensive		As % of consolidated total other comprehensive income	Amount
Foreign Subsidiaries										
Xchanging Solutions (Europe) Limited	0%	(3)	-7%	(396)	-	-	-	-		
Xchanging Solutions (Singapore) Pte Limited	11%	(5,493)	22%	1,206	-	-	-	-		
Xchanging Solutions (Malaysia) Sdn Bhd	0%	(51)	-	-	-	-	-	-		
Xchanging Solutions (USA) Inc	(36%) 17,580		44%	2,397	-	-	-	-		
Total	100%	(48,792)	100%	5,470	818	100%	3,087	100%		

<sup>\*</sup> Includes elimination adjustments also.

# 42 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, 2020	Maximum balance outstanding during the year
Xchanging Technology Services India Private Limited	Common Director	908	934
		(916)	(926)
Xchanging Builders (India) Private Limited	Common Director	725	985
		(985)	(988)

Note: Figures in bracket relate to previous year

43 During the year, SGD 1 has been received on account of Job support scheme announced by the Singapore government. Payout for this assistance has been received in 2020.

### 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 22, 2020.

### 46 Previous year figures

Previous year figures have been regrouped / reclassified wherever necessary.

For Deloitte Haskins & Sells LLP

**Chartered Accountants** 

For and on behalf of the Board of Directors

Bhavani Balasubramanian

Partner

Place: Chennai

Date: May 22, 2020

Chandrasekhara Rao Boddoju

Managing Director and Chief Executive Officer

DIN: 08185777 Place: Hyderabad

Date: May 22, 2020

**Shrenik Kumar Champalal** 

Whole Time Director and Chief Financial Officer

DIN: 08099410 Place: Bengaluru Date: May 22, 2020

**Aruna Mohandoss** 

Company Secretary Place: Chennai Date: May 22, 2020

Xchanging Solutions Limited

### 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 financial 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	0	
3.	Reporting currency	1 GBP= 93.53	1\$= 75.63	1 SGD= 53.09
4.	Share Capital	0.001	7,509.86	1,222.50
5.	Reserves & Surplus	3.93	(25,109.59)	4,283.08
6.	Total Assets	3.93	13,011.86	7,069.23
7.	Total Current Liabilities	-	1,926.76	1,565.16
8.	Investments	-	20.70	62.48
9.	Turnover	0	10,547.60	5,797.56
10.	Profit (Loss) before Taxation	(0.75)	2,435.19	1,472.94
11.	Provision for taxation	-	(138.74)	233.88
12.	Profit after taxation	(0.75)	2,573.93	1,239.07
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.

<sup>\*</sup> The Company is under liquidation.

### **NOTICE OF ANNUAL GENERAL MEETING**

**Notice** is hereby given that the 19th Annual General Meeting ("**AGM**") of the members of Xchanging Solutions Limited ("**the Company**") will be held on Wednesday, September 23, 2020 at 10:00 A.M. IST through Video Conferencing / Other Audio Visual Means ("**VC**"/"**OAVM**") to transact the following business:

### **ORDINARY BUSINESS**

- 1. To receive, consider and adopt:
  - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors thereon.
- 2. To appoint a Director in place of Mrs. Gidugu Kalpana Tatavarti (DIN 06644105), who retires by rotation and being eligible, offers herself for re-appointment.

By Order of the Board of Directors For **Xchanging Solutions Limited** Sd/-

Place : Bangalore Aruna Mohandoss

Date : May 22, 2020 Company Secretary

Membership No: A24023

Registered office: -

Kalyani Tech Park - Survey No 1, 6 & 24, Kundanhalli Village, K R Puram Hobli, Bangalore – 560066

#### **NOTES:**

- 1. In view of the outbreak of the COVID-19 pandemic and restrictions on the movements apart from social distancing at several places in the country and pursuant to Ministry of Corporate Affairs ("MCA") General Circular numbers 20/2020, 14/2020, 17/2020 ("MCA Circulars") and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India ("SEBI Circular") (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC/OVAM for the calendar year 2020 without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the 19th Annual General Meeting ("AGM") of the Company is being held through VC. The deemed venue for the AGM shall be Registered Office of the Company.
- 2. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Companies Act, 2013 ("The Act") will not be available for the AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the AGM through VC/OAVM Facility and e-Voting during the AGM.
- Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing

- body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC/OAVM Facility on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to cs.ankushagarwal@gmail.com with copies marked to the Company at compliance@xchanging.com and to its Registrars and Transfer Agents("RTA") at einward.ris@kfintech.com.
- 4. In terms of the applicable provisions of the Act, SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations") read with the MCA Circulars and SEBI Circular, the Annual Report including Notice of the AGM of the Company will also be available on the website of the Company at <a href="http://www.xchanging.com/investor-relations/xsl-content">http://www.xchanging.com/investor-relations/xsl-content</a>. The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of e-voting agency M/s KFin Technologies Private Limited ("KFin Technologies") at <a href="https://evoting.karvy.com/">https://evoting.karvy.com/</a>
- Since the AGM will be held through VC/OAVM Facility, the Attendance Slip, Proxy Form and Route Map are not annexed to the Notice.
- Company has appointed KFin Technologies, RTA of the Company, to provide Video Conferencing Facility for the AGM and to act as the attendant enablers for conducting the AGM.
- 7. Pursuant to the provisions of the MCA Circulars on convening AGM through VC/OVAM:
  - a. Members can attend the meeting through log in credentials provided to them to connect to Video Conference. Physical attendance of the Members at the Meeting venue is not required.
  - Appointment of proxy to attend and cast vote on behalf of the member is not available.
  - c. Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- 8. The Members may join the AGM through VC/ OAVM Facility by following the procedure mentioned herein below in the Notice which shall be kept open for the Members from 9:45 A.M. IST i.e. 15 (Fifteen) minutes before the time scheduled to start the AGM and the Company may close the window for joining the VC/OAVM Facility after expiry of 15 (Fifteen) minutes from the scheduled time to start the AGM.
- 9. Members may note that the VC/OAVM facility, provided by KFin Technologies, allows participation of at-least 1,000 Members on a first-come-first-served basis ("FIFO"). The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of FIFO principle.
- 10. The attendance of the Members (members logins) attending the AGM through VC/ OAVM Facility shall be counted for the

purpose of reckoning the quorum under Section 103 of the Act.

- 11. Remote e-Voting: Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the SEBI Listing Regulations, as amended, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through e-Voting agency 'KFin Technologies'.
  - The Remote e-voting period commences on September 20, 2020 (9:00 A.M. IST) and ends on September 22, 2020 (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 Wednesday, September 16, 2020, may cast their votes electronically.
- **12. Voting at the e-AGM:** Members who could not vote through remote e-voting may avail the e-voting system provided at the time of the meeting:
  - a. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the chairman during the e-AGM proceedings. Shareholders shall click on the same to take them to the "instapoll" page.
  - Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
  - c. Only those shareholders, who are present in the e-AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.
- 13. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
- 14. Voting rights shall be reckoned on the paid-up value of shares registered in the name of member/beneficial owners (in case of electronic shareholding) as on the Cut-off date i.e. Wednesday, September 16, 2020.
- 15. The SEBI has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent.
- 16. Securities of listed companies would be transferred in dematerialised form only w.e.f. April 1, 2019. In view of the same, Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company's RTA for assistance in this regard.
- 17. Relevant details in respect of the Director seeking re-

156

- appointment at the AGM, in terms of Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of SS- 2 issued by ICSI are also annexed to this notice as **Annexure I**.
- 18. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 17, 2020 to Wednesday, September 23, 2020 (both days inclusive) for the purposes of the AGM.
- 19. Mr. Ankush Agarwal, Practicing Company Secretary (C.P. No. 14486), has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the remote e-voting process and casting vote through the e-voting system during the AGM in a fair and transparent manner.
- 20. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The resolutions, if passed by requisite majority, shall be deemed to have been passed on the date of the AGM i.e. September 23, 2020.
- 21. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at <a href="http://www.xchanging.com/investor-relations/xsl-content">http://www.xchanging.com/investor-relations/xsl-content</a> and on the website of KFin Technologies at <a href="https://evoting.karvy.com">https://evoting.karvy.com</a>, immediately after the declaration of result by the Chairman or any person authorized by him in writing and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited.
- 22. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM.
- 23. The Company has designated an exclusive Email ID compliance@xchanging.com for redressal of shareholders complaints/grievances. For any investor related queries, you are requested to please write to us at the above Email ID.

Procedure for obtaining the Annual Report, AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA on physical folios:

On account of threat posed by COVID-19 and in terms of the MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of AGM and e-Voting instructions only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

 Those shareholders who have registered/not registered their mail address and mobile number including address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in

- electronic form and with the Company's Registrar and Share Transfer Agent, M/s. KFin Technologies Private Limited, in case the shares held in physical form.
- 2. Shareholders who have not registered their mail address and in consequence the Annual Report, Notice of AGM and evoting notice could not be serviced, may temporarily get their email address and mobile number provided with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by clicking the link: <a href="https://ris.kfintech.com/email\_registration">https://ris.kfintech.com/email\_registration</a> for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to einward.ris@kfintech.com.
- Shareholders may visit the website of the company <a href="http://www.xchanging.com/investor-relations/xsl-content">http://www.xchanging.com/investor-relations/xsl-content</a> or the website of the Registrar and Transfer Agent at <a href="https://evoting.karvy.com">https://evoting.karvy.com</a> for downloading the Annual Report and Notice of the AGM.
- 4. Alternatively member may send an e-mail request at the email id <u>einward.ris@kfintech.com</u> along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

# Instructions for the Members for attending the AGM through Video Conference:

- 1. Member will be provided with a facility to attend the AGM through video conferencing platform provided by M/s KFin Technologies Private Limited. Members may access the same at <a href="https://emeetings.kfintech.com/">https://emeetings.kfintech.com/</a> under shareholders/members login by using the remote evoting credentials. The link for AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
- 2. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
- Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
- 4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask questions during the meeting may log into <a href="https://emeetings.kfintech.com/">https://emeetings.kfintech.com/</a> may post their queries/views/ questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number.

- Please note that, members questions will be answered only, the shareholder continue to hold the shares as of cut-off date benpos.
- Due to limitations of transmission and coordination during the Q&A session, the company may dispense with the speaker registration during the AGM conference.
- 7. Shareholder who wish to register as speakers are requested to visit <a href="https://emeetings.kfintech.com/">https://emeetings.kfintech.com/</a> and click on 'Speaker Registration' during this period. The speaker registration shall commence on September 20, 2020 (9:00 A.M. IST) and ends on September 22, 2020 (5:00 P.M. IST). Members are requested to remember the same and wait for their turn to be called by the Chairman/ Company Secretary of the meeting during the Q&A Session. Due to limitations of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Speaker Session, hence members are encouraged to send their queries/views/ questions in advance.

# Instructions for members for e-Voting during the AGM session:

- Only those Members/ shareholders, who will be present in the AGM through Video Conference facility and have not casted their vote through remote e-Voting are eligible to vote through e-Voting in the AGM.
- However, members who have voted through Remote e-Voting will be eligible to attend the AGM.

### Instructions for members for Remote 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, Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India ("ICSI") 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 KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) (KFin Technologies) 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 KFin Technologies [for Members whose email IDs are registered with the Company/Depository Participants (s)]:
    - Launch internet browser by typing the URL: <a href="https://evoting.karvy.com">https://evoting.karvy.com</a>.
    - 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 KFin Technologies for evoting, 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."

### **OTHER INSTRUCTIONS**

 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 <a href="https://evoting.karvy.com">https://evoting.karvy.com</a> (KFin Technologies Website) or contact Mr. Anandan K, Manager, (Unit: Xchanging Solutions Limited) of KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited), Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@kfintech.com or phone no. 040 - 6716 1500 or call KFinTechnologies'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 September 20, 2020 (9:00 A.M. IST) and ends on September 22, 2020 (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 September 16, 2020, 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. September 16, 2020.
- 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 evoting i.e., September 16, 2020, he/she may obtain the User ID and Password in the manner as mentioned below:
  - 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.kfintech.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 KFinTechnologies's toll free number 1800-3454-001.

By Order of the Board of Directors For **Xchanging Solutions Limited** 

Sd/-

Place : Bangalore Date : May 22, 2020 Aruna Mohandoss Company Secretary Membership No: A24023

Registered office: -

Kalyani Tech Park - Survey No 1, 6 & 24, Kundanhalli Village, K R Puram Hobli, Bangalore – 560066

### **ANNEXURE - ITO THE NOTICE OF AGM**

Details of Directors seeking re-appointment furnished pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard-2.

Name of the Director	Gidugu Kalpana Tatavarti
DIN	06644105
Designation	Non-Executive Non-Independent Director
Date of Birth	30 July 1966
Age	54 years
Nationality	Indian
Date of First Appointment on the Board	27 March 2018
Qualifications	Bachelor of Arts in English Literature and Diploma in Marketing and Sales
Profile	Kalpana Tatavarti brings diverse experience of over 20 years spanning Marketing, Sales and Leadership Development.
	She is Founder of Parity Consulting and Training operating since May 2016, a boutique diversity and inclusion firm. The firm partners with organizations in building safe and inclusive workplaces. The firm is also empaneled with the Ministry of Women and Child Development as a service provider for conducting training on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. She sits as an External Committee for organisations on their POSH Committee.
	Kalpana is also a certified Executive coach from the Coaching Foundation of India, besides being certified in psychometric instruments such as MBTI, FIRO- B, DISC and the EQi 2.0, she is also certified in Transactional Analysis.
	As an Angel Investor, she invests in early stage startups. She is a founder of Manasvini, an NGO that provides interest free micro credit to women in economically disadvantaged areas of urban cities to encourage their economic/business aspirations.
Last Remuneration drawn	-
Remuneration to be paid	-
Number of Board Meetings attended during FY 2019-20	4 Board Meetings
Directorships held in other Companies as on March 31, 2020	<ol> <li>Parity Consulting and Training Private Limited</li> <li>Manasvini Women Empowerment Foundation</li> </ol>
Relationship with other Directors, Key Managerial Personnel	Nil
Memberships/Chairmanships of Committees of other companies	Nil
Number of Stock Options	NA
Number of Shares held in the Company	-

Annual Report 2019-20 Xchanging Solutions Limited

159

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# If undelivered please return to: XCHANGING SOLUTIONS LIMITED

CIN: L72200KA2002PLC030072 KalyaniTech Park - Survey No 1, 6 & 24, Kundanhalli Village, K R Puram Hobli, Bangalore – 560066



# INDEPENDENT AUDITORS' REPORT

To The Members of Xchanging Solutions (USA) Inc

Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Xchanging Solutions (USA) Inc ("the company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss, the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards referred to sub-section (1) of section 129 and section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and cash flows for the year ended on that date.

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 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 saparate opinion on these matters.

New Delhi

There are no key audit matters identifie

Off.: 011-49867282 Mob.: 9873051900

## 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 require 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 by the directors as on 31st March, 2020, taken on record by the Board of Directors, non-cort the directors is disqualified as

on 31st March, 2020, from being appointed as a director in terms of Section 164(2) of

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

(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

 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

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New Delhi

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Munish Sidana Prop.

M. No. 099005 FRN: 020294N

Place: New Delhi Date: May 21, 2020

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

	Notes	As At Mar 31, 2020 USD	As At Mar 31, 2020 INR	As At Mar 31, 2019 USD	As At Mar 31, 2019 INR
ASSETS					
Non-current assets					
Financial assets		AT ATA	2,069,925	27,370	1,892,808
Investments	6	27,370	2,069,925	27,370	1,892,808
		27,370	2,009,523	2013277	
Current assets			A 15 T		
Financial assets	141	951,242	71,940,007	1,508,154	104,298,315
Trade receivables	7	14,801,856	1,119,427,381	11,113,577	768,573,725
Cash and cash equivalents	8	1,424,725	107.748.395	1,180,070	81,609,263
Other financial assets	9	17,177,823	1,299,115,784	13,801,800	954,481,303
		11,111,000	-		
TOTAL		17,205,193	1,301,185,709	13,829,170	956,374,111
EQUITY AND LIABILITIES Shareholders' funds Equity share capital Other equity Total Equity	10	9,930,062 (33,201,666) (23,271,604)	750,985,764 (2,510,959,020) (1,759,973,256)	9,930,062 (36,605,103) (26,675,041)	686,726,247 (2,531,473,152) (1,844,746,905)
Non-Current liabilities Financial liabilities Other financial liabilities	12	37,929,096	2,868,482,734	37,929,096	2,623,035,587
		37.929.096	2,868,482,734	37,929,096	2,623,035,587
Current liabilities			Jan (6)=+1		
Financial liabilities	1	2.460.370	186,071,623	2,302,181	159,210,307
Trade payables	1		6,604,608	272,935	18,875,120
Current tax liabilities (net)	1	2,547,701	192,676,230	2,575,115	178,085,427
TOTAL		17,205,193	1,301,185,709	13,829,170	956,374,109

See accompanying notes forming part of the financial statements

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As per our report of even date

For Munish Sidana & Associates Chartered Accountants Sidana & Associates

Munish Sidana

Prop. M. No. 099005 FRN: 020294N

Place: New Delhi Date: May 21, 2020 For and on behalf of the Board of Directors of Xchanging Solutions (USA) Inc.

Director

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

		For the 12 months period ended		For the 12 months period ended	
	Notes	Mar 31, 2020 USD	Mar 31, 2020 INR	Mar 31, 2019 USD	Mar 31, 2019 INR
Revenue					
Revenue from operations	15	13.888.074	1,050,320,326	13,491,031	932.989.618
Other income	16	58,701	4,439,380	92.488	6,396,135
	_	13,946,775	1,054,759,706	13,583,519	939,385,753
xpenses					
Employee benefits expense	17	5,238,396	396,166,758	5,455,234	377,263,736
Other operating costs	18	5,488,397	415,073,775	5,251,917	363,203,113
	-	10,726,793	811,240,533	10,707,151	740,466,849
rofit before tax		3,219,982	243,519,173	2,876,368	198,918,904
Durrent tax	19	119,100	9,007,244	50,000	3.457.814.50
Current tax- for the earlier years		(302,555)	(22,881,478)		
otal tax expense	-	(183,455)	(13,874,235)	50,000	3,457,81
Profit for the period	-	3,403,437	257,393,408	2,826,368	195,461,089
armings per share (Equity shares, par value \$1 ea	ach (2019 - \$1))				
Basic and diluted		0.34	25.92	0.28	19.68
Veighted average number of equity shares used in Basic and diluted	computing earning pe		0.000.000	0.000.000	
Dasic and United		9,930,062	9,930,062	9,930,062	9,930,067

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates Sidana &

Chartered Accountants

Munish Sidana Prop. M. No. 099005

FRN: 020294N

Place: New Delhi Date: May 21, 2020 For and on behalf of the Board of Directors of Xchanging Solutions (USA) Inc.

Director

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

Cash Flow Statement for the 12 months person				and an ideal
	For the 12 months p	period ended	For the 12 months	period ended
	Mar 31, 2020 USD .	Mar 31, 2020 INR	Mar 31, 2019 USD	Mar 31, 2019 INR
A. Cash flow from operating activities Profit for the year	3,403,437	257,393,408	2,826,368	195,461,089
Adjustments for:	121,249	9,169,759	50,000 57,942	3,257,329 3,774,697
Tax expense Provision for bad and doubtful debts	58.701	4,439,379.63	92,488	6,025,285
Write back of Liabilities Operating profit before working capital changes	3,583,387	271,002,546	3,026,797	208,518,400
Movements in working capital : Decrease / (Increase) in sundry debtors	556,912	42,117,877	(344,793) 985,119	(22,462,072) 64,177,168
Decrease / (Increase) in loans and advances and other financial assets	(365,904)	(6,512,623)	126,648	8,250,716
Increase / (Decrease) in current liabilities and provisions Net Cash from/ (used in) operations	3,688,280	278,935,368	3,793,772	258,484,212
Income Tax(Paid) / Refund net	3,688,280	278,935,368	3,793,772	258,484,212
Net cash from/ (used in) Operating activities  Net increase/ (decrease) in cash and cash equivalents	3,688,280	278,935,368	3,793.772	258,484,212
	11 113.577	840,492,012.80	7,542,739	491,383,647
Cash and cash equivalents at the beginning of the year Cash and cash equivalents at the end of the period	14,801,856	1,119,427,381	11,336,511	749,867,859
Components of cash and cash equivalents: Cash on hand				
Cash di nano			100000000000000000000000000000000000000	
Balances with banks - in Current Account	14,801,856	1,119,427,381	11,113,577	724,011,506 724,011,506
- III Outlett Linnana	14,801,856	1,113,421,301	T. C.	

See accompanying notes forming part of the financial statements

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As per our report of even date

For Munish Sidana & Associates
Chartered Accountants
Gidana & A

Monday

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

Place: New Delhi Date: May 21, 2020 For and on behalf of the Board of Directors of Xchanging Solutions (USA) Inc.

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Director

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

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

a	EQUITY SHARE CAPITAL	USD	INR
	Balance at March 31, 2018	9,930,062	646,909,578
	Changes in equity share capital during the year		
	Exchange rate movement	120	39,816,669
	Balance at March 31, 2019	9,930,062	686,726,247
	Changes in equity share capital during the year		
	Exchange rate movement		64,259;517
	Balance at March 31, 2020	9,930,062	750,985,764

### b OTHER EQUITY

	Retained earnings (USD)	Retained earnings (INR)	Total other equity (USD)	Total other equity (INR)
Balance as of April 1, 2018	(39,431,471)	(2,768,090,747)	(39,431,471)	(2,768,090,747)
Profit for the year	2,826,368	195.461,090	2.826.368	195.461.090
Exchange rate movement		41,156,504		41,156,504
Balance as of March 31, 2019	(36,605,103)	(2,531,473,153)	(36,605,103)	(2,531,473,153)

	Retained earnings (USD)	Retained earnings (INR)	Total other equity (USD)	
Balance as of April 1, 2019	(36,605,103)	(2,531,473,153)	(36,605,103)	(2,531,473,153)
Profit for the year	3,403,437	257,393,408	3,403,437	257,393,408
Exchange rate movement	F9042500.6541)	(236,879,304)	1627) FEB 2014 VIV.	(236.879,304)
Balance as of March 31, 2020	(33,201,667)	(2,510,959,049)	(33,201,667)	(2,510,959,049)

As per our report of even date

For Munish Sidana & Associates Chartered Accountants Sidana &

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Munish Sidana Prop.

M. No. 099005 FRN: 020294N

Place: New Delhi Date: May 21, 2020 For and on behalf of the Board of Directors of Xchanging Solutions (USA) Inc.

### Notes forming part of the financial statements

#### Background 1.

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.

#### **Funding of Future Operations** 2.

As at March 31, 2020, the Company has significant accumulated losses amounting to \$ 33.20 million resulting in negative net-worth of \$ 23.27 million. These matters raise a substantial doubt that the Company will be able to continue as a going concern.

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

#### Basis of preparation 3.

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')
- For the convenience of the readers the balance sheet, as at March 31, 2020 and as at March 31, 2019, and the Profit and Loss account for both the periods/years have been translated into INR at the exchange rate of USD 1= INR 75.63 for March 31, 2020 and at the exchange rate of USD 1=INR 69.16 for March 31, 2019. The convenience translation should not be construed as a representation that the USD amounts or the INR amounts referred to in these financial statements have been, could have been, or could in the future be, converted into INR or USD as the case may be, at this or at any other rate of exchange, or at all. Wherever movement schedule is provided in the financial statement. the opening balance are converted at USD 1= INR 75.63 for March 31, 2020 and at the exchange rate of USD 1=INR 69.16 for March 31, 2019.

#### Summary of Significant Accounting Policies 4.

#### 41 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

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

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. Sidana & The

(ii) Losses arising from the retirement of, and g cost are recognised in the Statement of Pro

com disposal of fixed assets which are carried at

### Notes forming part of the financial statements

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

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc:

		Years
Computers		3
		2-5
Vehicles		6
Office Equipment		3
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.

- Computer softwares which are held for use in business / administrative purposes are amortised over an estimated useful life of two years.
- (ii) Software License Rights purchased are amortized over their estimated useful life ranging from one to four years.
- (iii) The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

### 4.4 Leases

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

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

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

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

### Notes forming part of the financial statements

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

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

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

### 4.5 Investments

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

#### 4.6 Impairment of assets

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

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

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

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

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

### 4.7 Revenue recognition

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

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

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

### Notes forming part of the financial statements

- (ii) In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.
- (iii) Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.
- (iv) Revenue from licenses where the customer obtains a "right to use" the licenses is recognised at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognised over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Maintenance Services (AMS). The Company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognised using the percentage-of-completion method as the implementation is performed. Revenue from support and other services arising due to the sale of software products is recognised as the performance obligations are satisfied. AMS revenue is recognised ratably over the period in which the services are rendered.
- (v) Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.
- (vi) Deferred and unearned revenues represent the estimated unearned portion of fees derived from certain fixed-rate service agreements. Unearned revenues for fixed fee contracts are recognised on a pro-rata basis over the term of the underlying service contracts, which are generally one year.
- (vii) Unbilled revenue represents costs and earnings in excess of billings as at the balance sheet date.

### 4.8 Foreign currency transactions

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

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

Exchange differences on restatement of all monetage transparence of statement of Profit and Loss.

(iii) Forward exchange contracts not intended for

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## Notes forming part of the financial statements

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

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

### 4.9 Employee benefits

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

### 4.10 Taxes on income

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

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 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,

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## 4.11 Provisions and contingent liabilities

Provisions. A provision is recognised when the Compartition are not probable that an outflow of resources will be required settle to can be made. Provisions (excluding retirement between settle to can be made.)

obligation as a result of past events and it is ation in respect of which a reliable estimate to their present value and are determined

## Notes forming part of the financial statements

based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

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

### 4.12 Earnings per share

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

### 4.13 Segment reporting

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

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

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

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

### 4.14 Project work expenses

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

### 4.15 Cash and Cash equivalents

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

### 4.16 Cash flow statement

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

### 4.17 Other Income

Interest income is accounted on accrual basis established.

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## Notes forming part of the financial statements

### 4.18 Operating Cycle

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

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

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

#### 4,20 Financial Assets

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

Classification of financial assets

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

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows:
- 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

- 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 cases and reporting date, right from its initial recognition. For recognition of impairment loss on other cases and reporting date, right from its initial recognition. If credit risk has not increased whether there has been a significant increase of the credit risk has not increased.

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### Notes forming part of the financial statements

significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

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

Allowance for Trade receivables

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

Derecognition of financial assets

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

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

### 4.21 Financial liabilities

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

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

Derecognition of financial liabilities

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

### 5. Critical accounting judgements and key sources of estimation uncertainty

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

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### Notes forming part of the financial statements

## 5.1 Critical judgements in applying accounting policies:

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

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

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#### Notes forming part of the financial statements

		As At Mar 31, 2020 USD	As At Mar 31, 2020 INR	As At Mar 31, 2019 USD	As At Mar 31, 2019 INR
6	Non-current investments (Unquoted at cost, fully paid-up) Subsidiary company 10,000 Equity shares of Rs. 10 each in Nexplicit India Infotech	27.370	2 069 925	27.370	1.892.808
	Private Limited, India	27,370	2,069,925	27,370	1,892,808
7	Trade receivables Outstanding for a period exceeding 6 months from the date they are due to Unsecured, considered good Unsecured, considered doubtful: (Less): Provision for doubtful debts	951.241 951.242 951.242	71,940,007 71,940,007 71,940,007	1,508,164 40,748 1,548,901 (40,748) 1,508,154	104,298,315 2,817,958 107,116,273 (2,817,958) 104,298,315
8	Cash and cash equivalents Cash in hand Balances with Banks - Current accounts	14,801,856 14,801,856	1,119,427,381 1,119,427,381	11,113,577 11,113,577	768.573.725 768,573,725
9	Other financial assets Current (Unsecured considered good unless otherwise stated) Other Loans and Advances Unbilled revenue	61 434 1 363.291 424,725	4 646 095 103 102 300 107,748,395	1 180,070 1,180,070	81 609 263 81,609,263

#### Notes forming part of the financial statements

As At Mar 31, 2020 USD	As At Mar 31, 2020 INR	As At Mar 31, 2019 USD	As At Mar 31, 2019 INR
10.073,267	761,816,000	10,073,267	696,629,774
9,930,062	750.985,764	9,930,062	686,726,247
9,930,062	750,985,764	9,930,062	686,726,247
	3		
As at Mar	r 31, 2020	As at Mai	31, 2019
Number of Shares	Amount (in USD)	Number of Shares	Amount (in USD)
9,930,062	9.930,062	9,930,062	9,930,062
9,930,062	9,930,062	9,930,062	9,930,062
	Mar 31, 2020 USD 10,073,267 9,930,062 9,930,062 As at Ma Number of Shares	Mar 31, 2020 Mar 31, 2020 INR  10,073,267 761,816,000  9,930,062 750,985,764  9,930,062 750,985,764  As at Mar 31, 2020  Number of Shares Amount (in USD)  9,930,062 9,930,062	Mar 31, 2020 Mar 31, 2020 Mar 31, 2019 USD  10,073,267 761,816,000 10,073,267  9,930,062 750,985,764 9,930,062  As at Mar 31, 2020 As at Mar Number of Shares Amount (in USD) Shares  9,930,062 9,930,062 9,930,062

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

	As at Mar	31, 2020	As at Mar	31, 2019
Name of Shareholder	Number of Shares	Amount (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:

		As at Mar	31, 2020	As at Mar 31, 2019	
	Name of Shareholder	Number of Shares held	Percentage	Number of Shares held	Percentage
	Xchanging Solutions Ltd. India, Holding Company	9,930,062	100.00%	9,930,062	100.00%
11	Other equity	1,974,623	149,335,801	1,974,623	135,557,601
	Capital reserve bif	1,974,623	149.335.801	1,974,623	136,557,601
		17.567.336	1,328,573,703	17,567,336	1.214.891,783
	Securities premium b/f				
	Surplus/(Deficit) in Statement of Profit and Loss	(56,147,062)	(4.246,261,932)	(58.973.430)	(4.078.383.627)
	Balance as at the beginning of the period	3,403,437	257,393,408	2 826 368	195,461,091
	Profit /(loss) for the period	(52,743,625)	(3.988.868.524)	(56,147.062)	(3.882.922.536)
	Balance as at end of the period	iana e			
	(5)	dana & Ag (33,201,666)	(2,510,959,020)	(36,605,103)	(2,531,473,152)



#### Notes forming part of the financial statements

			As At Mar 31, 2020 USD	Mar 31, 2020 INR	As At Mar 31, 2019 USD	As At Mar 31, 2019 INR
12	Other financial liabilities Loans from Subsidiaries Holding company		37,929,096 37,929,096	2.868.482.734 2.868.482.734	37,929,096 37,929,096	2.623.035.587 2.623.035.587
13	Trade payables Due to: Holding company Other related parties Others	=	443.263 1,762.491 254.516 2,480.370	33.522.846 133.292.790 19.255.986 186.071.623	418 488 1 445 414 438.279 2,302,181	28,941,077 99,959,490 30,309,740 159,210,307
14	Current tax liabilities (net) Provision for Taxation Advance Income tax Current tax liabilities (net)	Sidana & An	119 100 31 769 87,331	9 007 235 2 402 627 6,604 608	304,704 31,769 272,935	21 077 183 2 197 042 18,875,141

Revenue from software development and related services

15 Revenue from operations

# Notes forming part of the financial statements For the 12 months period ended

For the 12 months period ended Mar 31, 2019 Mar 31, 2019 Mar 31, 2020 Mar 31, 2020 INR USD INR 932,989,618 13,491,031 13,888,074 1,050,320,326 932,989,618 13,491,031 1,050,320,326 13,888,074

The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to render services (ii) onerous obligations (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on such evaluation. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods

16	Other income Miscellaneous Income		58,701	4,439,380	92,488	6,396,135
	THIS OF THE STATE		58,701	4,439,380	92,488	6,396,135
17	Employee benefits expense Salaries, allowances and bonus Staff welfare	3	4,373,581 864,815 <b>5,238,396</b>	330,762,960 65,403,798 396,166,758	4,631,456 823,778 <b>5,455,234</b>	320,294,284 56,969,452 377,263,736
18	Other operating costs Project work expenses Rent* Recruitment and relocation Communication		5,171,922 6,456 301 155 26,901	391,139,508 488,251 22,771 11,697 2,034,460	5,069,219 24,104 - 6,089 45,248	350,568,410 1,666,943 - 421,126 3,129,166
	Travel Repairs and maintenance - Others Legal & professional Printing & stationery Business promotion Directors' sitting fees Bank charges Provision for bad & doubtful debts Miscellaneous expenses	7	274,764 70 3,600 3,471	20,779,742 5,311 - 272,259 262,529 - 57,248	2,777 22,650 15,098 - 3,139 57,942 5,651	192,039 1,566,399 - 1,044,122 - 217,104 4,007,026 390,778
	Miscellarieous experises		5,488,397	415,073,775	5,251,917	363,203,113

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<sup>\*</sup> Represents lease rentals for short term leases and leases of low value assets

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

19. Income tax recognised in Statement of profit and loss	In USD	In INR	In USD	In INS
Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2020	For the Year ended March 31, 2019	For the Year ended March 31, 2019
Current tax In respect of the current year/period In respect of the current tax for the earlier years	119,100 (302,555)	9,007,244 (22,881,478)	50.000	3,457,815
Total income tax expense recognised in the current year/period relating to continuing operations	(183.455)	(13,874,235)	50.000	3,457,815
The income tax expense for the year can be reconciled to the account	ting profit as follows			
Particulars	For the Year ended March 31, 2020	For the Year ended March 31 2020	For the Year ended March 31, 2019	For the Year ended March 31, 2019
Profit before tax from continuing operations	3.219.982	243,519,173	2.876.368	198 918 904
Income tax expense calculated at 21 % Income tax expenses for the earlier years	119 100 (302 555)	9.007.244	50 000	3,457,815
Income tax expense recognised in profit or loss	ana & (183 455)	(13.874.235)	50,000	3.457.815

#### Notes forming part of the financial statements

For the 12 months period ended Mar 31, 2020 Mar 31, 2020 USD INR For the 12 months period ended Mar 31, 2019 Mar 31, 2019 USD INR

#### 20 Contingent Liabilities and commitment

Contingent liabilities Capital commitment

As at Mar 31, 2020 USD	As at Mar 31, 2020 INR	As at Mar 31, 2019 USD	As at Mar 31, 2019 INR
Nil	Nil	Nil	Nil
Nil	Nil	Nil	Nil

#### 21 Segment reporting

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

Secondary segmental reporting is performed on the basis of the geographical segment.

Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

22 Related Party Disclosures

s.no. name or me related party Relationship Nature of transaction	(i) Achangrey Solutions Limited, India Holding company Esperials seimburged innamed to For related pany Paymets make (increased). Increased in the end of the period Unicecured loan at the end of the period Unicecured loan at the end of the period.	(ii) Xdarging Salutions Pile: Limited, Feltius subclainty Singapore: Experiors reintbursed innormal to flat related party Payments made innormal processors Trafe Recoupled i (Psychiel) at the end of the period Loans and advances at the end of the period	(iii) Act-organg LP I to Peliba substituty Express sentiousand incurred to for related party. Propress model (geometry) Trade Receivables i (Payable) at the end of the period	
	rtod	alies party of of the period reflod		*war New Celhi
Transactions Receivable (payable) (USD USD 2020	1,976,734		S Sein	nW*C
	(438,388) (37,529,097)		yana &	lewel
Transactions INR 2020	(149,488,622)		Sidana & Age	ites*s
Receivable / (payable) INR 2020	(33,154,922)	2.1	-	
Transactions Receivable / (psyable) USD USD 2019 2019	(2.367.452)	(aciosy)	(86.518)	
Receivable ( (payable) USD 2019	(418,484)	9.9		
Transactions INR 2019	(165,107,323)	(31,120,331)	,4 O46 888	
Receivable (psyable) INR 2015	(28,941,077)	18795		

Xchanging Solutions (USA) Inc.

Notes forming part of the financial statements

22 Related Party Disclosures

Relationship	Nature or d'amacridin	USD USD 2020		INR 2020	(payable) INR 2020	USD USD 2019	(payable) USD 2019	INR 2015	(payable) INR 2019
Expenses reimbursod (incursor) Payments master (incursorid) Trade Receivables (Payal	Expenses remburged incurred to it for idiated party. Payments made it (reminus) Trade Receivables it Payable) at the end of the period.		*	* *		3,078		(190,191) 212,859	4
Expenses reimbar sed I incur Payments made I (recsived) Trade Receivables I Payat	Expenses numbared incurred to i for related party. Payments made i/received.) Trade Receivables i Payable) at the end of the period	(1587.927)	(402,064)	(122,872,796) 95,151,170	(30,936,484)	1,141,391	(162,82)	78.934.367	(2,025,795)
operate roin Ayments mail rade Receive	Expenses temberand i nourest to for reland party. Payments made i (nomewi). Tade Receivables (Payable) at the end of the period.	15 670 272 5,75 75 764	(1,155,590)	428.528.528	(87.394,379)	7,504,525	(1,636,371)	(4) R 212 649	(113,365,359)
Intercompany Revenue Payments mass (received) Trade Receivables ( Payat	InterCompany Personal Parmanta maste (Incomest) Trade Receivables / Payable) at the end of the period	169-578) (192-486)	13,968	12 832 306 (14 557 945)	1,056,365	202.945 1105.163	36,786	14,035,204	2,543,960
Expenses rembarsed i mout files Company Renema Payments make / (riconved) Trade Receivables / Payal	Expenses renthallocational incurrent to I for related party inter-Company Penetral Programming Physician (Victorian) Physician (Victorian) Trade Receivables (Payable) at the end of this period	(292.157) 184.800 393,251	295,293	(21,384,277), 29,740,560	22,312,267			20.0	
Expenses remburged incom- Payments made (technol) Trade Receivables I (Payat	Expension reinharmood incursed to 1 facrorated party. Payments made (lectrical). Trade Receivables (Payades) at the end of the period.			*		199	**	13.750	
Expenses rembarged lincur Payments made (tecnined) Trade Receivables (Payab	Expenses rembarred hierarces to the estated party phyrester made (hecoved). Trade Receivables (hecoved).	1000	Sidana & A	100		5.884	- *	905.900	



### Notes forming part of the financial statements

#### 23 Lease disclosures

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

#### 24 Taxes

Taxes

The current tax charge reflects state tax and minimum federal tax tax and minim

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Notes forming part of the financial statements

#### Financial instruments 25

25.01 Capital Management

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

The Company is not subject to any external imposed capital requirements

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

25.02 Disclosure and Categories of financial instruments

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

25.03

Categories of financial instruments	USD	INR	USD	INR
Particulars	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
Financial assets				
Measured at amonised cost (a) Cash and bank balances	14,801,856	1 119 427 381	11 113 577	768.573.725
(b) Bank belances other than above (c) Other financial assets at amortised cost	2.375.967	179,688,403	2 688 224	185.907.578
Measured at Cost Investments	27.370	2 069 925	27 370	1 892 808
Financial liabilities				
Measured at amortised cost	40,476,797	3.061,158,965	40,504,212	2.801.121.014

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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.

amounts largely due to the short-term maturities of these instruments

Sidana & Ton sets and liabilities approximate their carrying

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

25.05 Financials risk management objectives
The Company's management monitors and manage the financial risks relating to the operations of the Company. These risks includes inquidity risk

#### Liquidity risk

Eliquidity 113h				
				(Amount in USD)
As at March 31, 2020	Less than 1 yrs	1 to 5 yrs	>5 Yrs	Total
Trade Payables	2,460,370	1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-		2:460.370
Other Financials liabilities	87,331	37 929 096		38.016.427
				(Amount in INR)
As at March 31, 2020	Less than 1 yrs	1 to 5 yrs	>5 Yrs	Total
Trade Payables	186,071,623			186,071,623
Other Financials liabilities	6,604,608	2.868.482,734		2.875,087.342
				(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	272,935	37,929,096		38.202.031
				(Amount in INR)
As at March 31, 2019	Less than 1 yrs	1 to 5 yrs	>5 Yrs	Total
Trade Payables	159.210.307			159,210,307

dana & 1875 120 2,623,035,587 2.641,910,707 Other Financials liabilities

The Parent Company's financial support and oper

nt to dispose the financial kabilities with in the maturity period.

### Notes forming part of the financial statements

Sidana &

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

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

Moraldone

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

Place: New Delhi Date: May 21, 2020 For and on behalf of the Board of Directors of Xchanging Solutions (USA) Inc.

Director

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

#### **Xchanging Solutions (Europe) Ltd.**

#### Balance Sheet as at March 31, 2020

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

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates Chartered Accountants

For Xchanging Solutions Europe Ltd. (in Liquidation)

Munish Sidana Liquidator

Prop. M. No. 099005 FRN: 020294N

Place: New Delhi Date: May 21, 2020

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

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

#### See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates Chartered Accountants

For Xchanging Solutions Europe Ltd. (in Liquidation)

Liquidator

Munish Sidana

Prop.

M. No. 099005 FRN: 020294N

Place: New Delhi Date: May 21, 2020

### Cash Flow Statement for the Period ended March 31, 2020

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

See accompanying notes forming part of the financial statements

As per our report of even date

For Munish Sidana & Associates Chartered Accountants

For Xchanging Solutions Europe Ltd. (in Liquidation)

Munish Sidana

Prop.

M. No. 099005 FRN: 020294N

Place: New Delhi Date: May 21, 2020 Liquidator

Notes Forming Part of the Financial Statement

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

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

#### **b** OTHER EQUITY

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

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

As per our report of even date

For Munish Sidana & Associates Chartered Accountants

For Xchanging Solutions Europe Ltd. (in Liquidation)

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

Place: New Delhi Date: May 21, 2020 Liquidator

### Notes forming part of the financial statements

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

#### Notes forming part of the financial statements

		As At Mar 31, 2020	As At Mar 31, 2020	As At Mar 31, 2019	As At Mar 31, 2019
7	Share Capital	GBP	INR	GBP	INR
	Authorised capital:				
	5,000,000 (Previous Year 5,000,000) Equity Shares of GBP 1 Each	50,00,000	44,94,81,350	50,00,000	44,94,81,350
	Issued, subscribed and paid up capital:				
	1 (Previous Year 2,664,278) Equity Shares of GBP 1 Each fully paid up	1	94	26,64,278	23,95,08,654
	_	1	94	26,64,278	23,95,08,654
(i)	Reconciliation of number of shares				
.,	_	As at Mar 3	1, 2020	As at Mar 3	1, 2019
		Number of Shares	Amount in GBP	Number of Shares	Amount in GBP
	Equity Shares	00.04.070	04.00.00.477	00.04.070	02.05.00.054
	Shares outstanding at the beginning of the period  Add / (Less): Movement for the period	26,64,278 26,64,277	24,92,02,177 24,92,02,083	26,64,278	23,95,08,654
	Shares outstanding at the end of the period	1	94	26,64,278	23,95,08,654
(ii)	Shares held by holding company and subsidiary of holding company				
	-	As at Mar 3	1 2020	As at Mar 3	1 2019
	Name of Shareholder	Number of Shares	Amount	Number of Shares	Amount
	Xchanging Solutions Ltd, India, Holding Company	1	1	26,64,278	26,64,278
(iii)	Details of shares held by shareholders holding more than 5% of the ag	gregate shares in the (	Company:		
	-	As at Mar 3	1, 2020	As at Mar 3	1, 2019
	Name of Shareholder	Number of Shares held	Percentage	Number of Shares held	Percentage
	Xchanging Solutions Ltd, India, Holding Company	1	100.00%	26,64,278	100.00%

#### Notes forming part of the financial statements

		For the 12 mont	For the 12 months period ended		ns period ended
		Mar 31, 2020 GBP	Mar 31, 2020 INR	Mar 31, 2019 GBP	Mar 31, 2019 INR
9	Other income				
	Writeback of Provision			12,500	11,23,703
	Miscellaneous Income			345	30,983
			-	12,845	11,54,686
10	Other operating costs				
	Travel			2,538	2,28,157
	Rates and Taxes			750	67,422
	Bank charges			2,196	1,97,416
	Miscellaneous expenses	801	74,906	29	2,562
		801	74,906	5,513	4,95,557
11	Contingent Liabilities and commitment				
		As at Mar 31, 2020	As at Mar 31, 2020	As at Mar 31, 2019	As at Mar 31, 2019
		GBP	INR	GBP	INR
	Contingent liabilities	Nil	Nil	Nil	Nil
	Capital commitment	Nil	Nil	Nil	Nil

#### 12 Segment reporting

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

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

#### Notes forming part of the financial statements

#### 13 Related Party Disclosures

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

#### Notes forming part of the financial statements

#### 13 Related Party Disclosures

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

#### Notes forming part of the financial statements

#### 14 Leases

**Operating/Finance Lease commitments** 

The Company has no operating/finance lease arrangement.

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

The Company reduced its share capital to 1 share of £ 1 each on 15th May 2019. The Company has declared and paid dividend to Holding Company on 20th May 2019. After the payment of dividend, the Board of the Company has recommended to the shareholder that the Company be placed into liquidation. Shareholders of the Company has approved liquidation of Xchanging Solutions (Europe) Ltd., on May 23, 2019.

Notes forming part of the financial statements

#### 16 Financial instruments

#### 4.16.01 Disclosure and Categories of financial instruments

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

#### 4.16.02 Categories of financial instruments

	GBP	GBP
Particulars	As at	As at
	March 31, 2020	March 31, 2019
Financial assets		
Measured at amortised cost		
(a) Cash and bank balances	_	4,41,139
(b) Other financial assets at amortised cost	4,200	556
Financial liabilities		
Measured at amortised cost		
(a) Trade Payables	-	-
(b) Other financial liability at amortised cost	-	-

CDD

CDD

#### 4.16.03 Fair value hierarchy

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

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

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

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

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

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

#### Notes forming part of the financial statements

#### 17 Previous year comparatives

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

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

For Xchanging Solutions Europe Ltd. (in Liquidation)

Munish Sidana

Prop.

M. No. 099005 FRN: 020294N

Place: New Delhi Date: May 21, 2020 Liquidator



## INDEPENDENT AUDITORS' REPORT

To The Members of Xchanging Solutions (Singapore) Pte Ltd

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of Xchanging Solutions (Singapore) Pte Ltd ("the company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss, the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards referred to sub-section (1) of section 129 and section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and cash flows for the year ended on that date.

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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Off.: 011-49867282 Mob.: 9873051900

# 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 to sub-section Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting accepted in accordance with the provision of the Act for safeguarding of the assets of the records in accordance with the provision of the frauds and other irregularities; selection and Company and for preventing and detecting the frauds and other irregularities; selection and eapplication of appropriate accounting policies; making judgments and estimates that are application of appropriate accounting policies; making judgments and estimates that are application of appropriate accounting policies; making judgments and estimates that are application of appropriate accounting policies; making judgments and estimates that are application of appropriate accounting policies; making judgments and estimates that are application of appropriate accounting policies; making judgments and estimates that are application of appropriate accounting policies; making judgments and estimates that are application of appropriate accounting policies; making judgments and estimates that are application of appropriate accounting policies; making judgments and estimates that are application of appropriate accounting policies; making judgments and estimates that are application of appropriate accounting policies; making judgments and estimates that are application of appropriate accounting policies; making judgments and estimates that are application of appropriate accounting policies; making judgme

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
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
  - 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
  - e) On the basis of written representations received from the directors as on 31st March, 2020, taken on record by the Board of Disectors and property of the directors is disqualified as

on 31st March, 2020, from being appointed as a director in terms of Section 164(2) of

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

 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

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Munish Sidana

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Prop. M. No. 099005 FRN: 020294N

Place: New Delhi Date: May 21, 2020

#### Balance Sheet as at March 31, 2020

			As A	At	As A	\t
			Mar 31, 2020	Mar 31, 2020	Mar 31, 2019	Mar 31, 2019
No. Verbruig-bu		Notes	SGD	INR	SGD	INR
ASSETS						
Non-current Assets						
Fixed assets		190	margan-		22.020	WAY 888
Property, plant and equipment		4	4,251	225,692	14,715	751,082
Right of use assets		5	87,852	4,663,780	(*)	(+:
Intangible assets		6	1,119	59,404	677	
Financial assets					170000	G AND AND
Non-current investments		7	117,700	6,248,328	117,700	6,007,828
Other financial assets		8		-	20,000.00	1,020,871.40
Total Non-current Assets		-	210,922	11,197,204	152,415	7,779,782
Current assets						
Financial assets						
Trade receivables		9	1,660,142	88,131,792	2,438,722	124,481,062
Cash and cash equivalents		10	9,120,361	484,171,710	6,390,567	326,197,339
Bank balances other than above		11	187,881	9,973,993	219,069	11,182,056
Other financial assets		8	2,137,039	113,448,773	1,658,541	84,657,872
Total Current Assets		1000	13,105,423	695,726,269	10,706,899	546,518,329
	Total Assets		13,316,345	706,923,473	10,859,313	554,298,111
70						
EQUITIES AND LIABILITIES						
Shareholders' Funds						
Equity share capital		12	2,300,000	122,099,870	2,300,000	117,400,211
Other equity		12	8,068,049	428,307,730	5,734,017	292,684,706
Total Equity		124	10,368,049	550,407,600	8,034,017	410,084,917
Current liabilities						
Financial liabilities						
Lease liabilities	1	27	89,132	4,731,742		
Trade payables		13	2,200,725	116,829,673	2,145,719	109,525,136
Other current liabilities		14	290,029	15,396,728	353,849	18,061,701
Current tax liabilities (net)		15	368,409	19,557,731	325,729	16,626,363
Total Current Liabilities		1	2,948,295	156,515,874	2,825,297	144,213,200
	Tatal Facilities and Lincolnia		40.040.045	700 000 470	40.050.044	EE4 200 447
	Total Equity and Liabilities		13,316,345	706,923,473	10,859,314	554,298,117

See accompanying notes forming part of the financial statements

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In terms of our report attached

For Munish Sidana & Associates **Chartered Accountants** 

Munish Sidana

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Prop. M. No. 099005 FRN: 020294N

Place: New Delhi Date: May 21, 2020

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

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

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

See accompanying notes forming part of the financial statements

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As per our report of even date

For Munish Sidana & Associates Chartered Accountants

Munish Sidana Prop.

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M. No. 099005 FRN: 020294N

Place: New Delhi Date: May 21, 2020 For and on behalf of the Board of Directors of Xchanging Solutions (Singapore) Pte Ltd

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Director

## Cash Flow Statement for the year ended March 31, 2020

	Mar 31, 2020 SGD	Mar 31, 2020 INR	Mar 31, 2019 SGD	Mar 31, 2019 INR
A. Cash flow from operating activities	0.001.000	123,906,547	2,022,891	103,255,572
Profit/(loss) for the year after tax	2,334,032	123,300,047		CANADAM PROPERTY
Adjustments for:	404 700	6,991,995	18,445	941,514
Depreciation	131,708	23,387,578	370,981	18,936,198
Tax expense	440,553 21,396	1,135,820	11,809	602,776
Finance cost including lease liability (Refer note 32)	2,927,689	155,421,940	2,424,126	123,736,060
Operating profit before working capital changes	2,921,003	100,121,010	The second of th	
Movements in working capital:				
Adjustments for (increase) / decrease in operating assets:	670 019	36.046.864	117,267	5,985,702
Trade receivables and Other Loan & Advances	679,016	00,040,00	V	
Adjustments for increase / (decrease) in operating liabilities:	55.007	2,920,126	60,953	3,111,245
Trade payables	55,007	1,343,739	(168.024)	(8,576,534)
Other financial liabilities and other liabilities	25,312	(21,121,774)	(256,930)	(13,114,606)
Taxes paid (net of refunds)	(397,872)	The state of the s	1,244,864	63,542,281
Loans & other financial assets and other assets	(358,935)	(19,054,748)	1,244,004	S. S
Loans & other imanous account and		100 000 117	3,422,256	174,684,148
Net cash (used) Surplus in operating activities	2,930,217	155,556,147	3,422,200	11-11-0-11-11
ACAMPAGEMENT C. 18				
Direct taxes paid (net of refunds)	2.930.217	155,556,147	3,422,256	174,684,148
Net cash used in operating activities (A)	212.003			
B. Cash flows from investing activities	(210.215)	(11,159,684)	(11,780)	(601,293)
Purchase of fixed assets	(210,215		(11,780)	(601,293)
Net cash used in investing activities (B)	(210,215	(11,100,001)		
C. Cash flows from financing activities			(589,661)	(30,098,415)
Repayment of Long-term borrowings		1,5	710,878	36,285,748
Proceeds from Bank Deposits	104 000	(1,135,821)	(11,809)	the state of the state of the
Interest Received	(21,396		109,408	
Not cash from financing activities (C)	(21,396		3,519,883	The second secon
Net increase in cash and cash equivalents (A + B + C)	2,698,606	143,200,042	31-31-	
Effect From Exchange Rate Charges (D)				
Effect From Excitating Nate Onlinges (a)			3.089,752	157,711,983
{refer note (i) below} Cash and cash equivalents at the beginning of the year	6,609,636	The second second second	6,609,636	
Cash and cash equivalents at the beginning  Cash and cash equivalents at the end of the period	9,308,24	2 494,145,704	6,009,030	007,010,000
Cash and cash equivalents at the end of the period				
Components of cash and cash equivalents				
Cash on hand				
Balances with banks	6 000 0	494,145,704	6,609,63	337,379,395
- In Current Account	9,308,24		6,609,63	
M. Watton (S. P. Paris)	9,308,24	12 434, 145,104		

For the 12 Month Period Ended

See accompanying notes forming part of the financial statements

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As per our report of even date

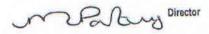
For Munish Sidana & Associates Chartered Accountants

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

New New Account Place: New Delhi Date: May 21, 2020

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

For the 12 Month Period Ended



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

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

a	EQUITY SHARE CAPITAL	SGD	INR
	Balance at April 1, 2018	2,300,000	114,348,180
	Changes in equity share capital during the year		
	Exchange rate movement		3,052,031
	Balance at March 31, 2019	2,300,000	117,400,211
	Changes in equity share capital during the year	1.00	
	Exchange rate movement		4,849,665
	Balance at March 31, 2020	2,300,000	122,249,876

#### b OTHER EQUITY

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

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

As per our report of even date

For Munish Sidana & Associates **Chartered Accountants** 

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Munish Sidana Prop. M. No. 099005

FRN: 020294N

New New New Account Place: New Delhi Date: May 21, 2020

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

Director

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#### 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.

#### 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.
- The functional currency of the Company is Singapore Dollar ("SGD") and the reporting currency of the financial statement is Indian Rupee ("INR").
- For the convenience of readers, the Balance Sheet as at March 31, 2020 and the Profit & Loss Account and c) the Cash Flow for the year ended at that date have been translated into INR at the Exchange rate of 1 SGD = INR 53.0869 and the Balance Sheet as at March 31, 2019 and the Profit & Loss Account and the Cash Flow for the year ended on that date have been translated into INR at the Exchange rate of 1 SGD = INR 53.0869. The convenience translation should not be construed as a representation that the SGD amounts or INR amounts referred to in these financial statements have been, could have been, or could in the future be, converted into INR or SGD as the case may be, at this or at any other rate of exchange or at all. Wherever movement schedule is provided in the financial statement, the opening balance are converted at SGD 1= INR 53.0869 for March 31, 2020 and at the exchange rate of SGD 1=INR 51.0436 for March 31, 2019.

#### Summary of Significant Accounting Policies 3.

#### Use of estimates 3.1

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.

#### Property, plant & equipment and depreciation 3.2

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.

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

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 in the charged 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 charges etc:

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#### Notes forming part of the financial statements

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

- (iv) Capital work-in-progress: Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.
- (v) Leasehold improvements are amortised over the period of lease or five years, whichever is lower

#### 3.3 Intangible Assets and Amortisation

Intangible assets are stated at cost of acquisition less accumulated depreciation and impairment losses.

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets comprises of Computer Software, Goodwill, Software license rights and Product development costs. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

- (vi) Computer softwares which are held for use in business / administrative purposes are amortised over an estimated useful life of two years.
- (vii) Software License Rights purchased are amortized over their estimated useful life ranging from one to four years.
- (viii) The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

#### 3.4 Leases

#### As a lessee:

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

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

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

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

### Notes forming part of the financial statements

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

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

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

#### 3.5 Investments

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

#### 3.6 Impairment of assets

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

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

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

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

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

#### 3.7 Revenue recognition

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

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

(i) Revenue on time-and-material contracts are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or uttimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs be pended travelove used to measure progress towards

# Notes forming part of the financial statements

completion as there is a direct relationship between input and productivity. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.

- 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 (ii) 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.
  - 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.
  - 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 (iv) 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-ofcompletion 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.
    - 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.
    - 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... (vi)
    - Unbilled revenue represents costs and earnings in excess of billings as at the balance sheet date.

#### Foreign currency transactions 3.8

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.

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 rice that existed when the values were determined.

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## Notes forming part of the financial statements

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

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

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

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

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

## 3.9 Employee benefits

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

## 3.10 Taxes on Income

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

#### Current tax

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

## Deferred tax

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

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

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

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

Current tax and deferred tax for the year

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

## Notes forming part of the financial statements

### 3.11 Earnings per share

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

#### 3.12 Provisions and Contingent Liabilities

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

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

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

### 3.13 Segment reporting

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

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

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

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

## 3.14 Project work expenses

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

## Notes forming part of the financial statements

#### 3.15 Cash and cash equivalents

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

#### 3.16 Cash flow statement

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

#### 3.17 Other Income

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

### 3.18 Operating Cycle

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

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

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

### 3.1 Critical judgements in applying accounting policies

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

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

## Notes forming part of the financial statements

#### **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;
- 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 manning of minor receivables are grouped into homogeneous

## Notes forming part of the financial statements

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

## Derecognition of financial assets

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

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

### 3.21 Financial liabilities

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

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

## Derecognition of financial liabilities

The Holding Company derecognises financial liabilities when, and only when, the Holding Company 's obligations are discharged, cancelled or have expired, An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit page 1.

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

(All amounts in SGD unless otherwise stated)

## PROPERTY, PLANT & EQUIPMENT

(Owned unless specified)

Depreciation expense

Exchange rate movement

Eliminated on disposals of assets

Balance as at March 31, 2020

(owned unless specified)				
Carrying amounts of:	SGD	INR	SGD	INR
danying amounts of.	As at	As at	As at	As at
Computers	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
Office Equipment	4,251	225,692	14,715	751.082

751,082

4,251 225,692 14,715 \*All figures are in SGD Particulars Computers Office Equipment Total Gross carrying value Balance as at Apr 1, 2018 221,101 17,079 238,180 11,780 Disposals 11,780 Balance as at March 31, 2019 232,881 17,079 249,960 Additions 4,069 Disposals 4,069 (141,023)(17,079)(158, 102)Balance as at March 31, 2020 95,927 95,927 Accumulated depreciation Balance as at April 1, 2018 199,721 17,079 216,800 Depreciation expense 18,445 18,445 Eliminated on disposals of assets Balance as at March 31, 2019 218,167 17,079 235,246 Depreciation expense 14,533 14,533 Eliminated on disposals of assets (141,023)(17.079)158,102) Balance as at March 31, 2020 91,677 91,677 Net carrying value as at March 31, 2020 4,251 Net carrying value as at March 31, 2019 4,251 14,715 14,715 \*All figures are in INR Gross carrying value Balance as at April 1, 2018 10,992,405 849,110 11,841,515 Additions 601,293 601,293 Disposals Exchange rate movement 293,389 293,389 Balance as at March 31, 2019 11,887,088 849,110 12,736,198 Additions 216,017 216,017 Disposals (7,486,477)(906,671) (8,393,148)Exchange rate movement 475,815 Balance as at March 31, 2020 475,815 5,092,443 (57,561)5,034,882 Accumulated depreciation Balance as at April 1, 2018 9,929,467 849,110 10,778,577 Depreciation expense 941,514 941,514 Eliminated on disposals of assets Exchange rate movement 265.024 265,024 Balance as at March 31, 2019 11,136,006

Net carrying value as at March 31, 2020 sidana & 225,692 (0) 225,692 Net carrying value as at March 31, 2019 61,082 751,082

New Delhi

ered Account

849,110

(906,671)

(57,561)

771,512

445,710

4,866,751

(7,486,477)

11,985,116

(8,393,148)

445,710

4,809,190

771,512

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

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

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

## 6 Intangible assets

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

Computer Software	Total	Total
61,581	1,160	61,581
61,581	1,160	61,581
61,581	1,160	61,581
61,581	1,160 - -	61,581
61,581	1,160	61,581
		ή
- 20		
61,581	1,160	
61,581	1,160	
		61,581
	V.	-
2,177	41	2,177
	-	
	12	
2,177	41	2,177
59,404	1,119	59,404
	2,177 - 2,177 59,404	2,177 41

otes forming part of the financial statements				
	As At	As At	As At	As At
	Mar 31, 2020	Mar 31, 2020	Mar 31, 2019	Mar 31, 2019
	SGD	INR	SGD	INR
7 Non Current Investments				
(Unquoted, at cost, fully paid-up)				
In Subsidiary companies (Long term):				
in Xchanging Solutions (Malaysia) -Sdn Bhd	117,700	6.248.328	117,700	6,007,828
250,000 (2019: 250,000) Equity Shares of RM 1 each	117,700	6,248,328	117,700	6,007,828
-	117,700	0,240,320	111,100	0,001,020
Other financial assets				
Non-Current				
Unsecured considered good, unless otherwise stated				
Security deposits	20	12	20,000	1,020,871
	151		20,000	1,020,871
Current				
Unsecured considered good, unless otherwise stated	20,000	1.061.738		
Security deposits Prepaid expenses	14,352	761.882	5.605	286,117
Other Loans and Advances	100,871	5,354,929	10,054	513,179
Unbilled Revenue	2.001,816	106,270,230	1,642,882	83,858,582
Offilies Neverte	2,137,039	113,448,779	1,658,541	84,657,878
Trade receivable	1,660,142	88,131,792	2,438,722	124,481,062
Unsecured, considered good	1,660,142	88,131,792	2,438,722	124,481,062
	1,000,1772	20/12/1/22		
0 Cash and cash equivalents				
Balances with Banks				Care with started and
- in Current Accounts	9,120,361	484,171,710	6,390,567	326,197,339
•	9,120,361	484,171,710	6,390,567	326,197,339
11 Other Bank Balances				
- Long Term Deposit with maturity more than 3 months but less than 12 months	187,881	9,973,993	219.069	11,182,056
- Long Term Deposit with maturity more than 5 months but less than 12 months	101,001			

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## Notes forming part of the financial statements

12 Share Capital	As At Mar 31, 2020 SGD	As At Mar 31, 2020 INR	As At Mar 31, 2019 SGD	As A Mar 31, 201
Authorised capital: 5,000,000 (2019: 5,000,000) ordinary shares of SGD 1 each	5,000,000	265,434,500	5.000,000	255,217,850
Issued, subscribed and paid up capital: 2,300,000 (2019: 2,300,000) ordinary shares of SGD 1 each full paid up	2,300,000	122,099,870	2,300,000	117,400,211
	2,300,000	122,099,870	2,300,000	117,400,211
(i) Reconciliation of number of shares				
Equity Shares	As at Mar	31, 2020	As at Mar	34 2040
	Number of Shares	Amount (SGD)	Number of Shares	Amount (SGD)
Shares outstanding at the beginning of the period Add / (Less): Movement during the period	2,300,000	2,300,000	2,300,000	2,300,000
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 aggre	egate shares in the Com	рапу:		
No.	As at Mar	31, 2020	As at Mar :	31, 2019
Name of Shareholder	Number of Shares	Percentage	Number of Shares	Percentage
Xchanging Solution Limited, India	Shares Sidana & 300,000	100%	2,300,000	100%

Notes forming part of t	the financial	statements
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13	Trade Payable Due to: Other related parties Others	
14	Other current liabilities Income received in advance (Unearned revenue) Statutory dues Advances from customers	

15	Current tax liabilities (net)			
	Provision for Taxation			
	Advance Income tax			

	As At Mar 31, 2020	As At Mar 31, 2020	As At Mar 31, 2019	As At Mar 31, 2019
	SGD	INR	SGD	INR
	1,227,138 973,587	65,144,978 51,684,694	888,240 1,257,479	45,338,930 64,186,206
_	2,200,725	116,829,673	2,145,719	109,525,136
	208,767 81,262	11,082,780 4,313,948	43,729 310,120	2,232,089 15,829,612 - 18,061,701
=	290,029	15,396,728	353,849	10,001,701
	1,023,211 654,801	54,319,099 34,761,372	582,659 256,930	29,740,965 13,114,606
79	na & 368,410	19,557,728	325,729	16,626,359



Notes forming	part	of the	financial	statements
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riod Ended Mar 31, 2020 INR	For the 12 Month P Mar 31, 2019 SGD	Mar 31, 2019
1950	300	INR
574,029,166 574,029,166	10,661,997 10,661,997	544,226,415 544,226,415
	574,029,166	374,023,100

The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to render services (ii) onerous obligations (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not breaches of service level agreements and (iv) termination or deferment of contracts by customers. to revenue in future periods.

17 Other income	1,986,769 18,515,979
Interest Income	9 18,515,979
Other provisions no longer required written back         362,745           Liabilities no longer required written back         68,037         3,611,883         8,56           Net Exchange Gain         8,117         430,903         10,35           Miscellaneous Income         107,885         5,727,261         432,39           18 Employee benefit expenses         3,405,457         180,785,129         4,533,16           Salaries, Allowances and Bonus         194,725         10,337,361         251,08           Contribution to Provident Fund {refer note (i) below}         3,600,182         191,122,490         4,787,33           Staff Welfare         3,600,182         191,122,490         4,787,33           (i) The Company makes contribution to the Central Provident Fund in Singapore         3,954,213         209,916,892         3,509,9           Project Work Expenses         73,388         3,895,941         77,5           Communication         3,785         200,908         52,7           Travel         56,147         2,980,663         67,7           Insurance         5,751         305,325         22,8           Recruitment and Relocation         43         430,20         4,533,16	
Liabilities no longer required written back   68,037   3,611,883   8,56     Net Exchange Gain   8,117   430,903   10,35     Miscellaneous Income   107,885   5,727,261   432,39    18   Employee benefit expenses   3,405,457   180,785,129   4,533,16     Salaries, Allowances and Bonus   194,725   10,337,361   251,08     Contribution to Provident Fund {refer note (i) below}   3,600,182   191,122,490   4,787,3	
Net Exchange Gain   8,117   430,903   10,359   107,885   5,727,261   432,399   107,885   5,727,261   432,399   107,885   5,727,261   432,399   107,885   5,727,261   432,399   107,885   5,727,261   10,337,361   251,080   194,725   10,337,361   251,080   194,725   10,337,361   251,080   194,725   10,337,361   251,080   194,725   10,337,361   251,080   194,725   10,337,361   251,080   194,725   10,337,361   251,080   194,725   10,337,361   251,080   194,725   10,337,361   251,080   194,725   10,337,361   251,080   194,725	1 436,963
Miscellaneous Income   107,885   5,727,261   432,39	528,320
18   Employee benefit expenses   3,405,457   180,785,129   4,533,165   251,085   251	2 22,070,807
Salaries   Allowances and Bonus   194,725   10,337,361   251,08	
Salaries   Allowances and Bonus   194,725   10,337,361   251,08	9 231,389,126
Contribution to Provident Fund {refer note (i) below}   194,725   191,122,490   3,500,182   191,122,490   3,500,182   191,122,490   4,787,33   3,500,182   191,122,490	
Staff Welfare   3,600,182   191,122,490   4,787,35   4,787,35	222 222 222
(i) The Company makes contribution to the Central Provident Fund in Singapore  19 Other operating costs Rent Project Work Expenses Communication Travel Insurance Recruitment and Relocation  3,500,162  131,122,160  93,0  3,954,213 209,916,892 3,509,9  3,755 209,908 52,7  67,1 2,980,663 67,1 305,325	
19 Other operating costs         93,0           Rent         3,954,213         209,916,892         3,509,9           Project Work Expenses         73,388         3,895,941         77,5           Communication         3,785         200,908         52,7           Travel         56,147         2,980,663         67,1           Insurance         5,751         305,325         22,9           Recruitment and Relocation         43,0         43,0	
19 Other operating costs         93,0           Rent         3,954,213         209,916,892         3,509,9           Project Work Expenses         73,388         3,895,941         77,5           Communication         3,785         200,908         52,7           Travel         56,147         2,980,663         67,1           Insurance         5,751         305,325         22,9           Recruitment and Relocation         43,0         43,0	
Rent   3,954,213   209,916,892   3,509,9	000 4,747,052
Project Work Expenses 73,388 3,895,941 77,5  Communication 3,785 200,908 52,7  Travel 56,147 2,980,663 67,7  Insurance 5,751 305,325 22,9  Recruitment and Relocation	100
Communication   3,785   200,908   52,751   56,147   2,980,663   67,751   305,325   22,55   305,325   305	
Travel 56,147 2,980,663 67,1 10,000 1	
Insurance 5,751 305,325 22,9 Recruitment and Relocation	
Recruitment and Relocation	
10.3	704 1770277
Repairs and Maintenance 69 966 3.714,258	724 700,538
07,000	
- Computer Equipment	953 1,426,846
Legal and Professional 1,471 78,104	760 38,788
Iraining and development	7555-750-75
Printing & digitorial	A TRANSPORT OF THE PROPERTY AND A STATE OF THE PROPERTY AN
Business Promotion 9,111 483,670 8	,960 457,334
Bank charges 5 004 265,665	
Directors' sitting fees 9 499 504,259 16	8,157 824,732
Miscellaneous Expenses 4,410,272 234,127,688 3,894	1,715 198,800,139
20 Finance costs 4,147 220,130	
Interest expenses on lease liabilities 4,147 220,130	
21 Depreciation and amortisation 14,533 771,512 1	8,445 941,514
Depreciation of property, plant and equipment [Refer note 4] 117 134 6.218.306	
Depreciation of right of use of assets [Refer note 5]  41  2,177	2/1-11
Depreciation of right of use of assets [Refer note 5]  Amortisation of intangible assets [Refer note 6]  Amortisation of intangible assets [Refer note 6]	18,445 941,514
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# Xchanging Solutions (Singapore) Pte Ltd Notes forming part of the financial statements

Notes forming part of the financial statements	In SGD	In INR	In SGD	In INR
2. Income tax recognised in Statement of profit and loss	For the Year ended	For the Year ended March 31, 2020	For the Year ended March 31, 2019	For the Year ended March 31, 2019
articulars	March 31, 2020	maton on a	- COSSERVA	18,936,198
furrent tax In respect of the current year/period	440,553	23,387,578	370,981	10,930,190
beferred tax In respect of the current year/period Total income tax expense recognised in the current year/period		121		
relating to continuing operations	unting profit as follows:			and the second
relating to continuing operations  The income tax expense for the year can be reconciled to the accordance to the properticulars.	For the Year ended March 31, 2020	4 04 000/	For the Year ended March 31, 2019	For the Year ende March 31, 20
	2,774,585	147,294,125	2,393,872	122,191,7
Profit before tax from continuing operations	2,114,500			18,936,1
Income tax expense calculated at 17 % (after other allowances	440,553	23,387,578	370,801	9,21,50,070
and deductions) Effect of unused tax losses and tax offset not recognised as	100	3 23,387,57	370,981	18,936,1
deferred tax assets Income tax expense recognised in profit or loss	Gidana &		4	



Balance Sheet Couter Cash Flow Counter

## Xchanging Solutions (Singapore) Pte Ltd

## Notes forming part of the financial statements

For the 12 Month Period Ended Mar 31, 2020 Mar 31, 2020 SGD INR For the 12 Month Period Ended Mar 31, 2019 Mar 31, 2019 SGD INR

23 Contingent Liabilities and commitment

Contingent liabilities Capital commitment

Mar 31, 2020 SGD	Mar 31, 2020 INR
Nil	Nil
Nil	Nil

Mar 31, 2019	Mar 31, 2019
SGD	INR
Nil	Nil
Nil	Nil

## 24 Segment reporting

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

Secondary segmental reporting is performed on the basis of the general largation of Customer. The Company services in South East Asia and Europe geographical segments.

art of the financial statements

#### Financial Instruments 25

#### Capital Management 25.01

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

The Company is not subject to any external imposed capital requirements The Company reviews the capital nature of the Company on regular basis. As part of this review, the Company considers the cost of capital and the risks associated with each class of capital.

## 25.02 Disclosure and Categories of financial instruments

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

## 25.03 Categories of financial instruments

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

#### Fair value hierarchy 25.04

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or Level 3 inputs are unobservable inputs for the asset or liability.

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

Fair value of financial assets and financial liabilities that are not measured at fair value. The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these



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

## 25.05 Financials risk management objectives

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

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			(Amount in SGD)
Less than 1 vrs	1 to 5 yrs	>5 Yrs	Total
			2,200,725
TANK TO SEE THE PERSON OF THE			747,570
747,370			(Amount in INR)
Less than 1 vrs	1 to 5 yrs	>5 Yrs	Total
116,829,673			116,829,673
12			-
			(Amount in SGD)
Less than 1 yrs	1 to 5 yrs	>5 Yrs	Total
2,145,719			2,145,719
679 578			679,578
010101		W	(Amount in INR)
Less than 1 vrs	1 to 5 yrs	>5 Yrs	Total
			113,909,547
			•
	Less than 1 yrs	2,200,725 747,570  Less than 1 yrs 116,829,673  Less than 1 yrs 2,145,719 679,578  Less than 1 yrs 1 to 5 yrs 1 to 5 yrs	2,200,725 747,570  Less than 1 yrs 1 to 5 yrs >5 Yrs 116,829,673  Less than 1 yrs 1 to 5 yrs >5 Yrs 2,145,719 679,578  Less than 1 yrs 1 to 5 yrs >5 Yrs

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

New A

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

25 Related Party Disclosures

й хэвг	of the intelled party  riging Solutions LSE India  riging Solutions (USA) Inc.	Relationship Holding Conscerny	Revanue from software development & related services: Superses immoursed incorrect to for related pumy Feynman meals recoved. Trails Receivables at the end of the year Trails Psysholas at the end of the year.	For the 12 Month Period Ended Mar 31, 2020 900 33,654 14,214 (80,266)	As Af Mar 31, 2020 SGD	For the 12 Month Period Ended Mar 31, 2020 (MAR 1,787,136 754,551 (1,200,397)	As A1 Mar 31, 2020 INR 546,893	For the 12 Month Period Ended Mar 31, 2019 SGD 22,710 (12,567)	(Payaba) As Al Mar 31, 2019 Sigo	For the 12 Month Period Ended Mar 31, 2019 INR 1, 159, 198 (541, 467)	(Payable) As Al Mar 31, 2019 INF
			Expenses reimbursed i incurred to i for releted party Payments made i received Trade Receivables at the end of the year	14.214	10,302	754,581					
(i) Xchac	inging Solutions (USA) Inc.						300,000	10.00	22,710		1,159,190
		Fellow Subsidiary	Revenue from software development & related services: Expenses reimbursed incurred to 1 for related party Progress mode recovered. Cean's & Authorized at the and of the year Trade Populated at the and of the year					589.661	*	30,096,415	18
III) Xoha	engang Technology Services India PVI Ltd.	Felice Subsidiary	Revenue from software development & natined devidere Expenses namiciariad clinicured to / for related party Proprieto made / received Traigh Receivement in the not of the year Traigh Perceivement of the not of the year Traigh Perceivement of the not of the year	11,001		684,008		(126.656) 121.742	715.00sg	(5,464,933) 5,214,130	(561,530
MON NON	Appa Partic Son Brid	Fellow Subsidiary	Revenue term software development is related services Expenses removased incurred to 1 for related party Feynment made incurred in 2 for related party Frace Physiciaes of the anal of the year Trade Pacceivables at the end of the year	332,946 (966,372)	27,439	17 875 084 (50 F70 835)	[12.064.025]	51,170 669,545 (1,137,379)	(107,453) 758,209	34,175,954 (98,055,866)	25 484 780 26 706 800
(s) Xchi	earing (SEA) Phe Ltd.	Fellow Superdary	Revenue hum software development & related cervinale Expense removaned incorrect to for related ponty Peternets made incorrect. Trade Payables at the end of the year Trade Receivables at the end of the year.	394		20,864		(,169 252,196 (578,447)	(294)	58,940 12,872,978 (29,526,010)	(20,054
ME COX	CTachnology Singapore Pla. Ltd.	Passed Pary	Revenue ton vothwar development & related services Expenses reinforces of example to fire related party. Perplament mode released Lases & Advences at the send of the year Trade Perplames at the end of the year Trade Revenuelse at the end of the year.	1,784,566 (1,893,105) (514,678)	(598,371) 135,000	54.757.099 (89.881.710) (27.302.860)	(31,765,661) 2,169,917	1,018,148 (1,513,997) 401,127	(501, <u>130</u> ) (51, 143	51.969.887 (77.279.626) 20.474.963	(20,178,95 28,132,32
(vib Ex	id Tachnology Services Vietnam Co. U.d.	Ralated Party	Expenser remounsed i incurred to if for related party Payments made (received Travel Paylobe as the end of the year Travel Paylobe as the end of the year	(596,312) 695,582	(100,883)	(31,658,358) 35,333,985	(5,780,282)	(201,177) 54,907	(178,153)	(10,368,784) 2,787,336	(9.092.50
(NW) E-1	Services Singapore Pin. Lld	Related Party	Revenue tron software development is maked services Expenses namoursel incorrector for interestantly Psymmatic mode. I received to first interestantly Psymmatic mode. I received to the year Trade Psychologies at the end of the year Trade Psychologies at the end of the year Trade Psychologies.	402.603 (390.346) (593.126)	(417,964) 27,882	21,367,540 (20,722,291) (26,302,007)	(22,185,429) 1,480,190	178.958 12.512 (59.581)	130 ABT	9,088,600 538,671 (3,048,318)	6,680,90

Notes forming pa	t of the	financial	stateme
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26	Related Party Disclosures			Transactions Rece	Junta I (Payable)	Transactions Race	wable / [Payable]	Transactions	Receivable (	Transactions	Receivable / (Payable)
1 No.	Name of the related party	Relationship	Nature of transaction	Tor the 12 Month Period Ended Mar 31, 2020 SGD	As At Mar 31, 2020 002	For the 12 Month Period Ended Mar 31, 2020 IMR	As At Mer 31, 2020 BNR	For the 12 Month Period Ended Mar 31, 2016 SGD	(Payable) As Al Mar 31, 2013- 500	For the 12 Month Period Ended Mar 31, 2019 BHR	As A Mar 31, 2011 INC
(00)	CSC Japan, IJ.C	Findated Porty	Revenue from ochware development 5 related son/core Expenses reimbareed incurred by for related pathy Systemic recolors incolored Trade Reyables at the end of the year Trade Reyables at the end of the year.	(12,996)		(642.139)		12,096	12,096	617.423	617.422
00	tro-Sure Services Ltd.	Febru Subsidiary	Devertue from software development 5, related opinional Speniese rembursed i incurred to 1 for related party Payments mobile reviewed. Trade Psychologies at the sind of the year. Trade Receivables at the sind of the year.	432.954 (542.830)	26,728	22 968 240 (28 517,640)	1,949,782	462,473 (315,559)	146.913	23.606.289	7,496,901
040	Emergina Seneces New Zealend	Fellow Subardary	Revenue from software development & related services Expenses membursed incomed to for related party Expenses many froctions of the party Tracke Physiches at the end of the year Tracke Physiches at the end of the year	(19.254) 985	(18.389)	(1,022,198)	(976,275)				
pd	g Xonanging LK LIS	Fellow Subardary	Revenue trom softwise development & related services Expenses (services/or incurred to for related party EP symmets made (septiment) Trade Psychologise at the send of the year Trade Receivables at the send of the year	(37.644) 901	(MARIE)	(1.596.303)	(1,205,628)				
00	BXC TECHNOLOGY SERVICES LLC	Felice Subsidiary	heyenus non software development is related services. Expenses temburand incurred to if for visited partly payments made incovers from the partly frame in payments at the end of the year. Trade Receivables at the end of the year.	(196,862) 98,234	(34,618)	(7.285.985) 6.214.939	(2,050,110)				
0	Service Mesh Inc.	Fellow Subsidiary	Reyonue from software development & related sonnoise Expenses rembusted / incurred to / for related party Paymont place (received Trace Psycholax at the end of the year Trace Psycholax at the and of the year Trace Psycholax at the and of the year.	(45,918) 41,648	(8,071	(2.645.292) 2.221.581	(428,464	1			



Notes forming part of the consolidated financial statements

#### 27 Leases

(Refer note 3.4)

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

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

The following to the season of	SGD	INH
	As at March 31, 2020	As at March 31, 2020
Particulars	89,132	4,731,742
Current lease liabilities	00,102	
Non-current lease liabilities	89,132	4,731,742
Total	00,102	

## B. Movement in Lease liabilities :

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

The following is the movement in lease habilities during the year en-	As at March 31, 2020	As at March 31, 2020
Particulars	The at maren any	
Balance as at April 1, 2019	204.985	10,882,040
Reclassified on account of adoption of IND AS 116	201,1000	
Additions	4,147	220,130
Finance costs accrued during the period	(120,000)	
Payment of Lease liabilities  Relance as at March 31, 2020	89,132	4,731,742

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

	As at March 31, 2020	As at March 31, 2020
Particulars	90,000	4,777,821
Less than one year	00,000	
One to five years		
More than five years	90,000	4,777,821
Total	00,000	

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

Particulars	89,132	4,731,742
Increase in lease liability by	87.852	4,663,780
Increase in rights of use by	4,147	220,130
Increase in finance cost by	117,134	6,218,306
Increase in depreciation by		

## E. Amounts recognized in profit or loss:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2020
2.000	4.147	220,130
Interest on lease liabilities	117,134	6,218,306

F. Amounts recognized in statement of cash flows

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2020
The state of the s	120,000	6,370,428
Total cash outflows for leases		

G.Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the Simplified approach and accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The adoption of the new standard resulted in recognition of Right and Earth 1900) of SGD 87,852 and a lease liability of SGD 89,132. The effect of this adoption is insignificant on the profit for the period and earth 1900 per share.

## Notes forming part of the financial statements

28 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

Mersillara

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

Place: New Delhi Date: May 21, 2020



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

Director

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