

XSL/SE/2023-24/22

August 1, 2023

The Secretary
Listing Department
BSE Limited
PJ Towers,
Dalal Street,
Mumbai - 400 001
Script Code: 532616

The Secretary
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block, Bandra Kurla
Complex, Bandra (East), Mumbai 400051
Script Code: XCHANGING

Sub: Submission of Annual Report for the financial year 2022-23 including Notice of the 22nd Annual General Meeting pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**Xchanging Solutions Limited, a DXC
Technology Company**

CIN: L72200KA2002PLC030072
Registered Office: HP Avenue, 39/40,
Electronic City, Hosur Main Road, Bengaluru
560 100, Karnataka, India
T +91 80 3387 0001
Email: compliance@xchanging.com
www.dxc.com

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of Xchanging Solutions Limited (“**the Company**”) for the Financial Year 2022-23 and the Notice of the 22nd Annual General Meeting (“**AGM**”) of the Company to be held on Friday, August 25, 2023 at 10:00 A.M. (IST) through Video Conferencing (“**VC**”) / Other Audio Visual Means Facility (“**OAVM**”).

The Annual Report along with Notice of the AGM of the Company for the Financial Year 2022-23 has been sent to the shareholders on Tuesday, August 1, 2023 through electronic mode only as per the provisions of the relevant Circular(s) issued by the MCA and the SEBI.

The Annual Report along with the Notice of AGM will be uploaded on the Company’s website at <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

Pursuant to Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Record date is fixed as Friday, July 28, 2023 for determining the eligibility for the purpose of payment of Interim dividend for the financial year 2023-24 of Rs 15/- per equity share (150%) of face value of Rs 10/- each as recommended by the Board of Directors at its meeting held on July 10, 2023. A communication providing detailed information & instructions with respect to tax on the Interim Dividend for the FY 2022-23 is being sent separately to the Members. The said communication will also be made available on the Company’s website. Further, the Shareholders are also requested to refer to the Notice of the AGM for more details on process to be followed from their side, if any, in this regard.

You are requested to take the above information on record.

Thanking You,
Yours Sincerely,
For **Xchanging Solutions Limited**

Mayank Jain
Company Secretary & Compliance Officer
Membership No. A26620

Address: HP Avenue, 39/40, Electronic City, Hosur Main Road,
Bengaluru 560 100, Karnataka, India

Xchanging Solutions Limited

ANNUAL REPORT 2022-23



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BOARD OF DIRECTORS

Henry D'Souza	- Independent Director
Nonavinakeri Srinivasaiyengar Rama ("Rama NS")	- Independent Director
Pankaj Vaish	- Independent Director
Gidugu Tatavarti Kalpana ("Kalpana Tatavarti")	- Non-Executive Director
Nachiket Vibhakar Sukhtankar	- Managing Director and Chief Executive Officer
Shrenik Kumar Champalal	- Whole Time Director and Chief Financial Officer

COMPANY SECRETARY & COMPLIANCE OFFICER

Mayank Jain
E-mail: compliance@xchanging.com

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
Prestige Trade Tower, Level 19, 46, Palace Road,
High Grounds, Bengaluru – 560001, Karnataka, India

REGISTERED OFFICE

HP Avenue, 39/40, Electronic City,
Hosur Main Road, Bengaluru 560 100,
Karnataka, India
Phone : +91 80 3387 0001
Email : compliance@xchanging.com
Website: [https://dxc.com/in/en/about-us/
xchanging-solutions-limited-investor-relations](https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations)
CIN : L72200KA2002PLC030072

REGISTRAR AND TRANSFER AGENT

KFin Technologies Limited
(Formerly known as KFin Technologies Private Limited)
Selenium Tower B, Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032, Telangana
Phone : +91 40 67162222
Toll free number: 1-800-309-4001
Email : einward.ris@kfintech.com
Website : www.kfintech.com

LIST OF ALL ANNEXURES

A. BOARD'S REPORT

- Annexure – I** Particulars of contracts/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 Earnings and Outgo

B. CORPORATE GOVERNANCE REPORT

- Annexure – A** Compliance Certificate
- Annexure – B** Certificate on Corporate Governance Report

BOARD'S REPORT

Dear Shareholders,

The Board of Directors ("Board") is pleased to present the Twenty Second Annual Report and the Audited Financial Statements of the Xchanging Solutions Limited ("the Company") for the financial year ended March 31, 2023.

A. FINANCIAL RESULTS

The highlights of standalone and consolidated financial results of the Company for the financial year ended March 31, 2023 and March 31, 2022 are as under:

(INR in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	For the Financial year ended March 31, 2023	For the Financial year ended March 31, 2022	For the Financial year ended March 31, 2023	For the Financial year ended March 31, 2022
Total Income	4,750	5,218	18,512	18,284
Total Expenditure	2,871	2,937	12,552	12,197
Profit before Finance Costs, Depreciation and Tax	1,949	2,386	6,031	6,194
Depreciation & Amortization	60	89	61	91
Finance Costs	10	16	10	16
Profit / (Loss) before Tax	1,879	2,281	5,960	6,087
Income Tax (including deferred tax)	410	62	1,470	830
Net Profit / (Loss) after Tax	1,469	2,219	4,490	5,257
Other Comprehensive Income/(Expenditure)	-20	-20	1,787	519
Total Comprehensive Income/(Expenditure)	1,449	2,199	6,277	5,776
Earnings / (Loss) per share	1.32	1.99	4.03	4.72

B. REVIEW OF OPERATIONS

During the financial year ended March 31, 2023, the consolidated income of the Company was Rs 18,512 Lakhs as against Rs 18,284 Lakhs during the previous year ended March 31, 2022. At a standalone level, the total income of the Company for the financial year ended March 31, 2023 amounted to Rs 4,750 Lakhs compared to Rs 5,218 Lakhs during the previous year ended March 31, 2022.

C. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the financial year ended March 31, 2023 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 for FY 2022-23. Refer the Company's policy on Dividend Distribution available on the website of the Company at <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>

E. TRANSFER TO RESERVES

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

F. SUBSIDIARIES AND ASSOCIATES

Your Company has 2 (two) direct subsidiaries and 1 (one) step down subsidiary as on March 31, 2023. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("the Act"). There has been no material change in the nature of the business of the subsidiaries.

Liquidation status of Subsidiary Companies

Nexplicit Infotech India Private Limited, a subsidiary (Wholly owned subsidiary of Xchanging Solutions (USA) Inc.) is under liquidation.

Except as mentioned above, during the financial year ended March 31, 2023 under review, there have been no material changes in the business of the subsidiaries. In terms of Section 129(3) of the 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 <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations> for inspection by the shareholders. Any member desirous of obtaining a copy of the said financial statements may write to the Company. The financial statements including the consolidated financial statements and all other documents required to be attached with this report have been uploaded on to the website of your Company viz. <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>

In terms of the Company's Policy on determining "material subsidiary", during the financial year ended March 31, 2023, Xchanging Solutions (USA) Inc and Xchanging Solutions Singapore Pte. Limited were determined as a material subsidiary(ies) whose income exceeds 10% of the consolidated income of the Company in the immediately preceding financial year.

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 and approved by the Board. The policy is also uploaded on the website of the Company and can be accessed through the link <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>. 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.

As required under the Act, 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 20th Annual General Meeting ("AGM") of the Company had re-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 20th AGM till the conclusion of the 25th AGM of the Company.

The Statutory Auditors had carried out audit of financial statements of the Company for the financial year ended March 31, 2023 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, Partner, MAKS & Co., Company Secretaries [FRN P2018UP067700], 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, 2023 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 and Schedule V of the Listing Regulations 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. Nachiket Vibhakar Sukhtankar, Managing Director and Chief Executive Officer
- b) Mr. Shrenik Kumar Champalal, Whole Time Director and Chief Financial Officer
- c) Mr. Mayank Jain, Company Secretary cum Compliance Officer

(ii) Employees' Stock Option Scheme

During the period under review, no Employees' Stock Option 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 (1) 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**.

None of the directors except Mr. Henry D'Souza, received any remuneration or commission from Subsidiary Companies of your Company.

The details of remuneration paid to the Directors including the Managing Director & Chief Executive Officer of the Company are given in Corporate Governance Report.

The information required under Section 197(12) of the Companies Act, 2013 ("the Act") read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, pursuant to first proviso to Section 136(1) of the Act, this Report is being sent to the Shareholders excluding the aforesaid information. Any shareholder interested in obtaining said information, may write to the Company Secretary at the Registered Office of the Company and the said information is open for inspection at the Registered Office of the Company

The Board of Directors affirm that the remuneration paid to key managerial personnel of the Company is as per the Nomination & Remuneration Policy of the Company.

L. BOARD AND COMMITTEES

(i) Directors

As on March 31, 2023, 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 and approved by the Shareholders on the Annual General Meeting held on August 3, 2022, Mr. Pankaj Vaish was appointed as the Non-Executive Independent Director

Further, based on the recommendation of the Nomination and Remuneration Committee, Mrs. Rama NS was proposed to be re-appointed as Non-Executive Independent Director subject to the approval of the Shareholders. The Board of Directors recommend the

re-appointment of Mrs. Rama NS as the Non-Executive Independent Director for a period of five years w.e.f. April 1, 2024 to March 31, 2029, to the shareholders for their approval in the ensuing Annual General Meeting.

Further, based on the recommendation of the Nomination and Remuneration Committee, Mr. Shrenik Kumar Champalal was proposed to be re-appointed as Whole Time Director subject to the approval of the Shareholders. The Board of Directors recommend the re-appointment of Mr. Shrenik Kumar Champalal as the Whole Time Director for a period of three years w.e.f. March 31, 2024 to March 30, 2027, to the shareholders for their approval in the ensuing Annual General Meeting.

The Company has received requisite notice in writing from member of the Company proposing their candidature as Directors of the Company.

Pursuant to the provision of Section 152(6) of the Act and the Articles of Association of the Company, Mr. Nachiket Vibhakar Sukhtankar, Managing Director, being longest in the office, retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for the re-appointment. The Board of Directors recommend his re-appointment.

Mr. Venkatesh Shastri, Independent Director, has resigned from post of directorship w.e.f. May 5, 2022 due to his personal reasons and other professional commitment. He also confirmed that there is no material reason of his resignation other than stated above.

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

Further, pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and Company's Code of Conduct.

Further, in terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed 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 and are not disqualified u/s 164(2) of the Companies Act, 2013. Further, Independent Directors have successfully registered themselves in the Independent Director's data bank maintained by Indian Institute of Corporate Affairs.

The Company has taken the certificate from Mr. Ankush Agarwal, Partner, MAKS & Co., Company Secretaries [FRN P2018UP067700], 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 and directors. 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 <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

(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 Directors

During the financial year ended March 31, 2023, a separate meeting of the Independent Directors of the Company was held on May 23, 2022 without the attendance of Non-Independent Directors and the Management team.

During their meeting held on May 23, 2022, 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 <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

(vi) Audit Committee

This Committee comprises the following Directors viz. Mrs. Rama NS (Chairperson of the Committee), Mr. Henry D'Souza, Mr. Pankaj Vaish, 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

In terms of Section 134(5) of the Act, the Directors would like to state and confirm:

- (a) That in preparation of the annual financial statements for the year ended March 31, 2023, applicable accounting standards had been followed along with proper explanation relating to material departures if any;
- (b) That such accounting policies have been selected 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 of March 31, 2023, and of the profit of the Company for the year ended on that date;
- (c) That proper and sufficient care has been taken in 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 other irregularities;
- (d) That the annual accounts have been prepared on a going concern basis;
- (e) Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by Group Management Team including audit of internal financial control over financial reporting, the Board is of the opinion that proper internal financial controls are in place and such internal financial controls are adequate and are operating effectively; and
- (f) That proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively

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, Partner, MAKS & Co., Company Secretaries [FRN P2018UP067700], confirming compliance with conditions of Corporate Governance as stipulated under Schedule V of the Listing Regulations forms an integral part of this Report.

(ii) Vigil Mechanism / Whistle Blower Policy

The Company has established a whistle blower policy and also established a mechanism for directors and employees to report their concerns. The details of the same are explained in the Corporate Governance Report. The 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 <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

(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 and their adequacy

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 Workplace (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 Company has complied with provisions relating to the constitution of Internal Committee ("IC"), (formerly known as Internal Complaints Committee) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The IC 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, 2023:

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

N. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been amended substantially with effect from January 22, 2021.

In line with the said amendments, the CSR Policy is available on the Company's website at <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

In terms of the provisions of the Act read with the amended Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR activities in the format prescribed under Annexure II of the said Rules is annexed to this Report 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 AND SUSTANABILITY REPORTING

Pursuant to Regulation 34(2) of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, the Business Responsibility and Sustainability Reporting (BRSR) describing the initiatives taken by the Company from an environmental, social and governance perspective forms part of this Annual Report.

The BRSR forms part of the Annual Report and can also be accessed on the Company's website at <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

Q. OTHER DISCLOSURES

(i) Share Capital

There was no change in the paid-up share capital of the Company. As on March 31, 2023, 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) 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.

(iii) Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act the Annual Return as on March 31, 2023 is available on the Company's website at <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

(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 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 on the Board of Company's unlisted material subsidiaries i.e. Xchanging Solutions (USA) Inc and Xchanging Solutions Singapore Pte Limited w.e.f. April 1, 2019.

(vii) Responsibility

For Standalone:

The Company's Board of Directors is responsible for the information included in the Board's 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

viii) 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.

(ix) Significant and material orders

During the Financial Year 2022-23, 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.

(x) Listing

Equity Shares of your Company are listed on National Stock Exchange of India Ltd. and BSE Ltd. The Company has paid required listing fees to Stock Exchanges for FY 2023-24.

(xi) 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.

(xii) 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. Nachiket Vibhakar Sukhtankar, Managing Director & Chief Executive Officer and Mr. Shrenik Kumar Champalal, Whole Time Director & Chief Financial Officer, for the Financial Year 2022 - 2023 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.

xiii) Any proceedings under the Insolvency and Bankruptcy Code, 2016

There are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company.

xiv) There were no instances where your Company required the valuation for one time settlement or while taking the loan from the Banks or Financial institutions.

ACKNOWLEDGEMENTS AND APPRECIATION:

The 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.

The 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,

Nachiket Vibhakar Sukhtankar
Managing Director &
Chief Executive Officer

Shrenik Kumar Champalal
Whole Time Director &
Chief Financial Officer

Place: Mumbai
Date: May 25, 2023

Place: Bangalore
Date: May 25, 2023

ANNEXURE – I TO BOARD’S REPORT

Form No. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)
of the Companies (Accounts) Rules, 2014)

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

1. Details of contracts or arrangements or transactions not at arm's length basis -

- (a) Name(s) of the related party and nature of relationship: Nil
- (b) Nature of contracts/arrangements/transactions: Nil
- (c) Duration of the contracts / arrangements/transactions: NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- (e) Justification for entering such contracts or arrangements or transactions: NA
- (f) Date(s) of approval by the Board: NA
- (g) Amount paid as advances, if any: NA
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NA

2. Details of material contracts or arrangement or transactions at arm's length basis

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

For and on behalf of the Board of Directors,

Nachiket Vibhakar Sukhtankar
Managing Director & Chief Executive Officer

Place: Mumbai
Date: May 25, 2023

Shrenik Kumar Champalal
Whole Time Director & Chief Financial Officer

Place: Bangalore
Date: May 25, 2023

ANNEXURE – II TO BOARD’S REPORT

MR-3 SECRETARIAL AUDIT REPORT

For the Financial period ended 31st March 2023
[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]

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2023 commencing from April 1, 2022 to March 31, 2023), 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 our letter dated May 23, 2023, annexed to this report as **Annexure – A**.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 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, as applicable;
 - 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 and Sweat Equity) Regulations, 2021 (*Not applicable to the Company during the audit period*);
 - V. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (*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 (*Not applicable since the Company is not registered as Registrar to an Issue and Share Transfer Agent during the audit period*);
 - 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. We have relied upon the representation made by the Company, its officers, and compliance reports from the management for systems and mechanism framed by the Company and basis that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company, to monitor and ensure compliances of Information Technology

Annexure – II to Board’s Report

Act, 2000 and the Rules made there under and other Act, Laws and Regulations specifically applicable to the Company.

3. We 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 and the BSE Limited.
4. During the period under review, to the best of our knowledge and belief and according to the information and explanations given to us, the Company has been regular in compliance with the provisions of the Acts, Rules, Regulations and Agreements, as mentioned above, to the extent applicable.
5. We further report that compliance of applicable financial laws including Direct and Indirect Tax Laws and maintenance of financial records and books of accounts by the Company has not been reviewed in this audit since the same has been subject to review by the Statutory Auditors and other designated professionals.
6. We further report that:
 - i) The Board of Directors of the Company is duly constituted with proper balance of Executive and Non–Executive Directors and Independent Directors including Women Directors. Further, the Change in the composition of Board of Directors, that took place during the year under review, was 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.
 - iii) Decisions of Board/Committee were carried through unanimously. 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.
 - iv) 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.
 - v) We further report that during the audit period the Company had no specific actions having bearing on the Company’s affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines etc.

For **M/s. MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]

Ankush Agarwal
Partner
Membership No: F9719
Certificate of Practice No.: 14486
Peer Review Certificate No.: 2064/2022
UDIN: F009719E000354173

Date : 23-05-2023
Place : Noida, U.P.

Annexure –A to Secretarial Audit Report dated May 23, 2023

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]

Our Secretarial Audit Report dated May 23, 2023 is to be read with this letter.

1. The compliance of provisions of all corporate and other laws, rules, regulations and standards applicable to **Xchanging Solutions Limited** (hereinafter called ‘the **Company**’) is the responsibility of the management of the Company. Our 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. Our 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. We 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. We believe that the processes and practices we followed provide a reasonable basis for the purpose of issue of the Secretarial Audit Report.
4. We 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. We 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.

For **M/s. MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]

Ankush Agarwal
Partner
Membership No: F9719
Certificate of Practice No.: 14486
Peer Review Certificate No.: 2064/2022
UDIN: F009719E000354173

Date : 23-05-2023
Place : Noida, U.P.

ANNEXURE – III TO BOARD’S REPORT

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 March 31, 2023:

Name & Designation	Ratio
Nachiket Vibhakar Sukhtankar (Managing Director & Chief Executive Officer)	*NA
Shrenik Kumar Champalal (Whole Time Director & Chief Financial Officer)	3.97

* Did not draw remuneration during FY 22-23.

- (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, 2023
Nachiket Vibhakar Sukhtankar (Managing Director & Chief Executive Officer)	*NA
Shrenik Kumar Champalal (Whole Time Director & Chief Financial Officer)	5.49%
Mayank Jain (Company Secretary)	4%

* Did not draw remuneration during FY 22-23.

- (iii) The percentage increase in the median remuneration of employees in the financial year ended March 31, 2023: 19.86%
- (iv) The number of permanent employees on the rolls of Company: 109
- (v) Average percentile/percentage increase made in the salaries of employees other than the managerial personnel in the last financial year: 20.65%
- (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 exceptional circumstances for increase in the managerial remuneration.
- (vii) Affirmation that the remuneration is as per the remuneration policy of the Company: Yes, remuneration is as per the Nomination & Remuneration policy of the Company.

For and on behalf of the Board of Directors,

Nachiket Vibhakar Sukhtankar
Managing Director & Chief Executive Officer

Shrenik Kumar Champalal
Whole Time Director & Chief Financial Officer

Place: Mumbai
Date: May 25, 2023

Place: Bangalore
Date: May 25, 2023

ANNEXURE – IV TO BOARD’S REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(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 – 560066

We 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 our opinion and to the best of our 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 us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2023 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
1	Mr. Henry D’souza	00276157	29/02/2012
2	Mrs. Gidugu Tatavarti Kalpana	06644105	27/03/2018
3	Mrs. Nonavinakeri Srinivasaiyengar Rama	06720033	01/04/2019
4	Mr. Shrenik Kumar Champalal	08099410	31/03/2018
5	Mr. Nachiket Vibhakar Sukhtankar	08778377	13/08/2021
6	Mr. Pankaj Vaish	00367424	04/05/2022

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.

For **M/s. MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]

Ankush Agarwal
Partner
Membership No: F9719
Certificate of Practice No: 14486
Peer Review Certificate No.: 2064/2022
UDIN: F009719E000352886

Date : 22-05-2023
Place : Noida, U.P.

ANNEXURE – V TO BOARD’S REPORT

Corporate Social Responsibility

Annual Report of Corporate Social Responsibility (CSR) Activities for the Financial Year ended March 31, 2023:

THE ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company.

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: <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Henry D'Souza	Independent Director	1	1
2	Rama NS	Independent Director	1	1
3	Kalpana Tatavarti	Non-Executive Director	1	Nil
4	Shrenik Kumar Champalal	Executive Director (Whole Time Director)	1	1
5	Pankaj Vaish	Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable : Not applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135: Rs 2,378 lakhs
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135: Rs 47.56 lakhs
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil
 (d) Amount required to be set-off for the financial year, if any: Nil
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs 47.56 lakhs

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs 46.28 Lakhs
 b) Amount spent in Administrative Overheads: Rs 1.28 lakhs
 c) Amount spent on Impact Assessment, if applicable: Nil
 d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 47.56 lakhs
 e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer
Rs. 47.56 lakhs	Nil	Nil	Nil	Nil	Nil

Annexure – V to Board’s Report

f) Excess amount for set-off, if any:

S. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135.	Nil
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub section (6) of section 135(in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs.)	Date of Transfer		
Nil								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

(i) Yes (ii) No

If Yes, enter the number of Capital assets created/ acquired.	NA
---	----

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the Property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
NA	NA	NA	NA	NA	NA	NA	NA

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office /Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries).

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not Applicable

For Xchanging Solutions Limited

Nachiket Vibhakar Sukhtankar
Managing Director & Chief Executive Officer
DIN: 08778377

Place: Mumbai
Date: May 25, 2023

Henry D’Souza
Chairman-CSR Committee
DIN: 00276157

Place: Bangalore
Date: May 25, 2023

ANNEXURE – VI TO BOARD’S REPORT

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 endeavor to develop and absorb advanced technologies for its various offering range to meet the requirements of a globally competitive market and to meet the technology requirements for the future.

C. Foreign Exchange Earnings and Outgo:

(INR in lakhs)

Particulars	March 31, 2023	March 31, 2022
Total Foreign Exchange earnings	2831	3,297
Total foreign Exchange outgo	40	80

For and on behalf of the Board of Directors,

Nachiket Vibhakar Sukhtankar
Managing Director & Chief Executive Officer

Place: Mumbai
Date: May 25, 2023

Shrenik Kumar Champalal
Whole Time Director & Chief Financial Officer

Place: Bangalore
Date: May 25, 2023

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 Technology Services India Private Limited & DXC Technology India Private Limited, owns 75% of the outstanding share capital of the Company.

INDUSTRY STRUCTURE, OUTLOOK AND DEVELOPMENTS:

FY 2023 has started with signs of moderation - with worldwide growth expected at 2.9%. Even as the global economic climate will continue to remain uncertain, volatility and business resilience will co-exist and that will define the 'No Normal' world that we embark on. Globally, enterprises are likely to see headwinds - demand contraction in some markets, and this uncertainty may result in delayed decision-making.

Nasscom's Annual CXO Outlook Survey 2023, indicates that while enterprises digital transformation remains core strategic priority for 2023, cost takeout and optimization requirements are also in demand given the macro environment. Cybersecurity, cloud, AI and analytics continue to be the main focus but with more integrated use cases and higher value realization. Hyper-automation and virtual experiences are new themes, driving optimization and new business growth. End-user enterprises are demanding greater domain specialization as also purpose-driven partnerships from their technology partners.

As such, for technology providers, CY 2023 is expected to be a year of rationalization (improving utilization & lower attrition), as they consolidate and strengthen current expertise, while making early moves into new business opportunities. The growth areas of technology segments will continue to focus on digital CX, digitization, cloudification, building SaaS-enabled products, cybersecurity and platformization - digital components that are increasingly being built into all deals, partnerships and M&As.

OPPORTUNITIES

India's technology sector, which showed remarkable resilience in FY2021, the year impacted by COVID-19 virus, followed up with a strong resurgence in FY2022 and continues to move forward in FY2023. Nasscom estimates that India's technology revenue is set to grow 8.4% in FY2023 - from \$226 Bn in FY2022 to \$245 Bn (including IT services, BPM, software products, ER&D and hardware). eCommerce industry is growing and is expected to see a 40% y-o-y growth to reach \$110 Bn in FY2023, from \$79 Bn in FY2022.

Overall, the direct employment is expected to be nearly 5.4 Mn people, which reflects a net addition of 290,000 people over FY2022. Digital revenue, at \$73-77 Bn, is estimated to be 32-34% share of total industry revenue, a 16% annual growth.

Indian technology exports are likely to cross \$190 Bn (incl. hardware), a growth of 9.4% and an addition of \$17 Bn over FY2022. ER&D at 11.1%, Software products at 9.1%, BPM at 9.0% and IT services at 8.9%, are driving growth.

The Indian IT services revenue is expected to see a y-o-y growth of 8.3% in FY2023. Since FY2019 (pre-pandemic), the total revenue of IT services has grown ~1.4X.

Organizations are rethinking IT infrastructure priorities amidst rapidly changing business needs. The demand remains strong for simplifying complex structures and increasing speed across the entire enterprise technology stack. Pre-pandemic, the spend on modernization was 15-20% of the digital contract value. In FY2023, this has more than doubled to 35-40%.

The key driver for the growth of IT services in the last couple of years has been IT Modernization, that includes Application Modernization, Cloud Migration, and Platformization.

(SOURCE: Nasscom Strategic review 2023)

THREATS:

1. Adverse movement of foreign currencies could impact realizations and margins.
2. Legislations/Measures enacted by External Countries' Governments would have an adverse impact on the IT Workforce and consequently on operations.
3. Attrition levels in the IT Sector, though they are showing a tapering trend, albeit still remain a concern.

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.

Management Discussion and Analysis

HOW WE MANAGE RISK

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

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

OVERVIEW OF RISK MANAGEMENT PROCESS



STRATEGIC RISKS	
Risk	Mitigating Actions
Failure to utilise and exploit technology enablement for growth	<p>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:</p> <ul style="list-style-type: none"> • 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	<p>There are number of significant changes in the sectors we operate in and the current economic environment results in pressure on our customers. Failure to secure new business could slow down the growth of the business. Successfully winning new business is managed by:</p> <ul style="list-style-type: none"> • 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.

Management Discussion and Analysis

	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: <ul style="list-style-type: none"> Detailed implementation and delivery plans with strong management control and oversight. Use of experienced employees with strong project, change and people management skills in order to ensure successful implementation. Standardised procedures in use for the implementation and delivery of new contracts.
Our customers demand efficient processing and high levels of service to help them achieve their objectives and protect their reputation.	Failure to meet our customers' expectations and contractual commitments would have a significant impact upon our reputation and profitability and could result in unexpected and costly litigation. We consistently work towards ensuring that our service levels are on target ensuring that we meet our customer requirements. Mitigating actions include: <ul style="list-style-type: none"> Consistently ensuring that our service levels are on target. Optimising our cost of delivery through standardisation and simplification. Ongoing contract management. Building on existing customer relations.
Continuing to retain our key personnel and recruit new talented individuals is fundamental to our success. Our intellectual property is one of our key assets.	We have an established structure for employee performance and development monitoring. <ul style="list-style-type: none"> A clear recruitment strategy and graduate recruitment and development programme attracts high-potential employees. Significant investment in leadership training programmes underpins our succession plans and develops our employees.
FINANCIAL RISKS	
Risk	Mitigating Actions
The Group's financial results may be subject to volatility arising from movements in interest rates, foreign exchange rates, liquidity and changes in taxation legislation, policy or tax rates	We continue to manage our financial risks through our established budgeting, forecasting and working capital and treasury controls. This reduces the volatility of our financial results, giving the Board greater medium-term visibility

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.

Management Discussion and Analysis

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, 2023, the consolidated revenue of the Company was Rs 17,442 Lakhs against Rs 17,427 Lakhs during the previous year ended March 31, 2022. Other income of the Company for the current year was Rs 1,070 Lakhs against Rs. 857 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, 2023	For the Financial year ended March 31, 2022
Total Income	18,512	18,284
Total Expenditure	12,552	12,197
Profit before Finance Costs, Depreciation and Tax	6,031	6,194
Depreciation & Amortization	61	91
Finance Costs	10	16
Profit / (Loss) before Tax	5,960	6,087
Income Tax (including deferred tax)	1,470	830
Net Profit / (Loss) after Tax	4,490	5,257
Other Comprehensive Income/(Expenditure)	1,787	519
Total Comprehensive Income/(Expenditure)	6,277	5,776
Earnings / (Loss) per share Rs.	4.03	4.72

3. Geographic Profile

(INR. in lakhs)

Geography	March 31, 2023		March 31, 2022	
	Revenue	%	Revenue	%
Europe	162	1%	337	2%
USA	13,974	80%	11,012	63%
India	1,181	7%	1,153	7%
Singapore	1,846	11%	4,700	27%
Rest of the World	279	2%	225	1%
Total	17,442	100%	17,427	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 2022-2023.

5. Key Financial Ratios

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Particulars	Standalone			Reason for variance beyond 25%
	March 31, 2023	March 31, 2022	Variance	
Current ratio	6.35	5.83	9%	Current Assets / Current Liabilities
Debt-equity ratio	0.00	0.01	-26%	Total borrowings Including lease liabilities / Shareholders' equity
Debt service coverage ratio	13.53	12.69	7%	EBITDA / (Total Borrowings including lease liabilities + Interest expense)
Return on equity ratio	0.05	0.09	-40%	Profit after tax / Average Shareholders' equity
Inventory turnover ratio	NA	NA	-	Product Revenue / Inventory
Trade receivable turnover ratio	10.89	8.63	26%	Total Revenue / Trade Receivables
Trade payable turnover ratio	6.20	6.03	3%	Total expenses excluding depreciation and finance cost / Trade payables
Net capital turnover ratio	0.20	0.24	-17%	Total Revenue / (Current assets - current liabilities excluding borrowings & lease liability)
Net profit ratio	0.39	0.51	-24%	Profit after tax / Total Revenue
Return on capital employed	0.07	0.08	-22%	Earnings before interest and tax / (Total assets - current liabilities excluding borrowings & lease liability)
Return on investment	0.07	0.09	-22%	Earnings before interest and tax / (Total Borrowings including lease liabilities + Shareholders' Equity)

Reason for variation beyond 25%

Debt-equity ratio	Mainly due to reduction in lease liability and increase in shareholders equity on account of total Comprehensive Income for the period
Return on equity ratio	Mainly due to lower profit for the period and increase in average Shareholders' equity
Trade receivable turnover ratio	Change in ratio is due to movement in net debtors and turnover balances in the current year

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 109 employees on its rolls as of March 31, 2023.

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, 2023 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, 2023. 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.

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

Name of Director	DIN	Category in the Company	Number of Directorships in other Public Companies ¹				Number of committee positions held in other public companies ²		No. of equity shares held in XSL as on date
			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
Pankaj Vaish#	00367424	Non-Executive Independent Director	3	• IIFL Wealth Management Limited • Krishna Institute of Medical Sciences Limited • Fusion Micro Finance Limited	Non-Executive Independent Director	0	0	4	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- Independent Director	0	NA	NA	0	0	0	0
Nachiket Vibhakar Sukhtankar	08778377	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
Venkatesh Shastry*	08277771	Non-Executive Independent Director	0	NA	NA	0	0	0	0

* Resigned on May 5, 2022

#Appointed on May 4, 2022

¹Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

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

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.

Mr. Venkatesh Shastry has resigned from post of directorship w.e.f. May 5, 2022 due to his personal reasons and other professional commitment. He also confirmed that there is no material reason for his resignation other than stated above.

Based on the recommendation of the Nomination and Remuneration Committee and approved by the Shareholders in the Annual General Meeting held on August 3, 2022, Mr. Pankaj Vaish was appointed as the Non-Executive Independent Director

Further, based on the recommendation of the Nomination and Remuneration Committee, Mrs. Rama NS was proposed to be re-appointed as Non-Executive Independent Director subject to the approval of the Shareholders. The Board of Directors recommended the re-appointment of Mrs. Rama NS as the Non-Executive Independent Director for a period of five years w.e.f. April 1, 2024 to March 31, 2029 to the shareholders for their approval in the ensuing Annual General Meeting.

The Company has received requisite notice in writing from member of the Company proposing her candidature as Director of the Company.

Further, based on the recommendation of the Nomination and Remuneration Committee, Mr. Shrenik Kumar Champalal was proposed to be re-appointed as Whole Time Director subject to the approval of the Shareholders. The Board of Directors recommended the re-appointment of Mr. Shrenik Kumar Champalal as the Whole Time Director for a period of three years w.e.f. March 31, 2024 to March 30, 2027, to the shareholders for their approval in the ensuing Annual General Meeting.

The Company has received requisite notice in writing from member of the Company proposing his candidature as Director of the Company.

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, 2023, total 4 (four) Board Meetings were held on the following dates - May 23, 2022; August 6, 2022; November 10, 2022 and February 10, 2023. The gap between two meetings did not exceed 120 days. These meetings had good attendance. The last AGM of the Company was held on August 3, 2022.

The attendance of the Directors' at these Meetings for FY 2022-23 is as under:

Director	Category	Number of Board Meetings attended	Leave of Absence Granted	Attendance at the AGM
Henry D'Souza	Non-Executive Independent Director	4	Nil	Yes
Rama NS	Non-Executive Independent Director	4	Nil	Yes
Pankaj Vaish	Non-Executive Independent Director	4	Nil	Yes
Kalpana Tatavarti	Non-Executive Director	2	Yes	Yes
Nachiket Vibhakar Sukhtankar	Executive Director	4	Nil	Yes
Shrenik Kumar Champalal	Executive Director	4	Nil	Yes

C. Meetings of Independent Directors

For the financial year ended March 31, 2023, a separate meeting of the Independent Directors of the Company was held on May 23, 2022 without the attendance of Non-Independent Directors and the Management team.

During their meeting held on May 23, 2022, 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 provisions of Section 152(6) of the Companies Act, 2013, Mr. Nachiket Vibhakar Sukhtankar, Managing Director, being longest in the office, retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for the reappointment.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of Companies Act, 2013 ("**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, fulfill the conditions specified under the Act and the 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.

E. 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 <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

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 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.

F. Compliance Certification

As required under Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, Mr. Nachiket Vibhakar Sukhtankar, Managing Director and Chief Executive Officer 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, 2023. The Certificate is annexed to this Report as **Annexure- A**

G. Performance Evaluation of Board, its Committees and Directors

As required under the provisions of Section 134(3)(p) of the Act and Regulation 4 of the Listing Regulations, the Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board Committees, and executive / non-executive / independent directors through peer evaluation, excluding the director being evaluated.

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 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.

Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgement.

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. The Board is satisfied with the board evaluation carried out for the year and there is no previous & current year's observation and action.

H. 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 <https://dxc.com/in/en/>

[about-us/xchanging-solutions-limited-investor-relations](#).

I. 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 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	Qualifications and experience in accounting and/or finance and the ability to: <ul style="list-style-type: none"> Analyze key financial statements; Critically assess financial viability and performance; Contribute to strategic financial planning.
Commercial/ Business Development	A broad range of commercial/business development in areas including communications, marketing, branding and business systems, practices and improvement.
Information Technology	Qualification and experience in IT industries.

Director	Areas of expertise				
	Strategy and planning	Governance (including policy)	Finance	Commercial/ Business Development	Information Technology
Nachiket Vibhakar Sukhtankar MD & CEO	✓	✓	✓	✓	✓
Shrenik Kumar Champalal WTD & CFO	✓	✓	✓	✓	✓
Henry D'Souza Independent Director	✓	✓	✓	✓	✓
Rama NS Independent Director	✓	✓	✓	✓	✓
Kalpana Tatavarti Non-executive Director	✓	✓	-	✓	✓
Pankaj Vaish	✓	✓	✓	✓	✓

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 amended by the Board of the Company at its Meeting held on November 10, 2022. The Nomination and Remuneration Policy is available at <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

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. 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 Key Managerial Personnel 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 with the abovementioned policies.

B. Remuneration to Non-Executive Directors for the financial year ended March 31, 2023

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

- Sitting Fees of INR 60,000/- for attending Board Meeting 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 hold 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, 2023 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, 2023	Commission for the financial year ended March 31, 2023, provided as payable in the accounts of the Company for the year under review	No. of Equity Shares held as on March 31, 2023
Henry D'Souza	9	Nil	Nil
Pankaj Vaish	9	Nil	Nil
Rama NS	10.20	Nil	Nil
Kalpana Tatavarti	2.40	Nil	Nil

C. Remuneration paid/payable to Executive Director (Whole-time Director/Managing Director) for the financial year ended March 31, 2023

Following Remuneration were paid to whole-time director and Managing Director during the financial year ended March 31, 2023. The said remuneration was fixed by the Nomination and Remuneration Committee and subsequently approved by the Board of Directors and Shareholders of the Company.

Designation of Executive Director	(INR in Lakhs)					Contract Period	Shares held as on March 31, 2023
	Salary	Commission	Company's contribution to Funds	Perquisites & Allowance	Total		
Managing Director	-	-	-	-	-	For 3 years with effect from August 13, 2021	-
Whole Time Director	54.09	-	-	-	54.09	For 3 years with effect from March 31, 2021	01

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

Sl. No.	Name of the Director	Nachiket Vibhakar Sukhtankar, Managing Director	Shrenik Kumar Champalal, Whole Time Director
(a)	Salary, benefits, bonuses, stock options, pension etc.	Mr. Nachiket Vibhakar Sukhtankar will draw "Nil" remuneration from the Company as mutually agreed between him and the Company. Reimbursement of travel and out of pocket expenses incurred for business purpose of the Company.	Mr. Shrenik Kumar Champalal will draw a salary not exceeding INR 60 Lacs per annum Reimbursement of travel and out of pocket expenses incurred for business purpose of the Company.

Sl. No.	Name of the Director	Nachiket Vibhakar Sukhtankar, Managing Director	Shrenik Kumar Champalal, Whole Time Director
(b)	Details of fixed component and performance linked incentives, along with the performance criteria;	Nil	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. Nachiket Vibhakar Sukhtankar as Managing Director is for period of 3 years with effect from August 13, 2021.	The re-appointment of Mr. Shrenik Kumar Champalal as Whole Time Director is for period of 3 years with effect from March 31, 2021.
(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. Risk Management Committee

The Risk Management Committee of the Company is constituted in line with the provisions of Regulations 21 of Listing Regulations.

The role of the committee shall, *inter alia*, include the following:

- (1) To formulate a detailed risk management policy which shall include:
 - a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- (7) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.
- (8) Any other responsibility as may be assigned by the board from time to time.

Composition of the Risk Management Committee

The composition of the Risk Management Committee is as follows:

1. Shrenik Kumar Champalal
2. Rama NS
3. Nachiket Vibhakar Sukhtankar

Mr. Shrenik Kumar Champalal is the Chairman of the Risk Management Committee.

Company Secretary acts as the Secretary of the Risk Management Committee.

During the financial year ended March 31, 2023, 2 (two) meetings of the Risk Management Committee were held, the dates being September 20, 2022 and March 1, 2023.

The attendance for the Risk Management Committee meetings for FY 2022-23 is as follows:

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Shrenik Kumar Champalal	Chairman	2	Nil
Rama NS	Member	2	Nil
Nachiket Vibhakar Sukhtankar	Member	2	Nil

B. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of Listing Regulations read with Section 177 of the Act.

The role, duties, term of references and powers of the Audit Committee are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Act.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgement by Management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Modified opinion(s) in the draft audit report.
5. Reviewing with the Management, the quarterly financial statements before submission to the board for approval;
6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

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. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
22. Review the compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively; and
23. 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. management letters / letters of internal control weaknesses issued by the statutory auditors;
3. internal audit reports relating to internal control weaknesses;
4. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
5. Statement of deviations:
 - a) quarterly statement of deviation(s) including report of monitoring agency if applicable, submitted to stock exchanges in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - b) annual statement of funds utilized for purposes other than those stated in the offer document /prospectus /notice in terms of Regulation 32(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- a) To investigate any activity within its terms of reference.
- b) To seek information from any employee.
- c) To obtain outside legal or other professional advice.
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Composition of the Audit Committee

The composition of the Audit Committee is as follows:

1. Rama NS
2. Henry D'Souza
3. Pankaj Vaish
4. Shrenik Kumar Champalal

Mrs. Rama NS is the Chairperson of the Audit Committee.

Company Secretary acts as the Secretary of the Audit Committee.

During the financial year ended March 31, 2023, 4 (Four) meetings of the Audit Committee were held, the dates being May 23, 2022; August 6, 2022; November 10, 2022 and February 10, 2023.

The attendance for the Audit Committee meetings for FY 2022-23 is as follows:

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

The previous Annual General Meeting of the Company was held on August 3, 2022 and the Chairperson 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.

C. Nomination and Remuneration Committee

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.

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) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may;
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- c) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- d) devising a policy on diversity of Board of Directors;
- e) 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.
- f) 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.
- g) recommend to the Board, all remuneration, in whatever form, payable to senior management.
- h) while formulating the policy under sub-section (3) of Section 178 of the Act 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. Pankaj Vaish
2. Henry D'Souza
3. Rama NS
4. Kalpana Tatavarti

Mr. Pankaj Vaish 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, 2023, 1 (one) meeting of the Nomination and Remuneration Committee was held, the date being May 23, 2022.

The attendance for the Nomination and Remuneration Committee meetings for FY 2022-23 is as follows:

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Pankaj Vaish	Chairman	1	Nil
Henry D'Souza	Member	1	Nil
Rama NS	Member	1	Nil
Kalpana Tatavarti	Member	-	Yes

The previous Annual General Meeting of the Company was held on August 3, 2022 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.

D. Stakeholder Relationship Committee

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, duties, term of references and powers of the Stakeholders Relationship committee are as follows:

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

The composition of the Stakeholders Relationship Committee is as follows:

1. Henry D'Souza
2. Pankaj Vaish
3. Rama NS
4. Kalpana Tatavarti
5. Shrenik Kumar Champalal

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

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

During the financial year ended March 31, 2023, 4 (four) meetings of Stakeholders Relationship Committee were held, the dates being May 23, 2022; August 3, 2022; November 10, 2022 and February 10, 2023.

The attendance for the Stakeholders Relationship Committee meetings for FY 2022-23 is as follows:

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Henry D'Souza	Chairman	4	Nil
Pankaj Vaish	Member	4	Nil
Rama NS	Member	4	Nil
Kalpana Tatavarti	Member	2	Yes
Shrenik Kumar Champalal	Member	4	Nil

During the financial year ended March 31, 2023, one complaint was received from the shareholders and the same was resolved. There are no pending investor complaints as on March 31, 2023.

The previous Annual General Meeting of the Company was held on August 3, 2022 and the Chairman of the Stakeholders Relationship Committee was present at the Annual General Meeting of the Company. All recommendations of the Stakeholders Relationship Committee were accepted by the Board.

Name, designation and address of Compliance Officer

Mr. Mayank Jain

Compliance Officer

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

Tel: +91 80 4364000

E-mail: compliance@xchanging.com

E. 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. Pankaj Vaish
4. Kalpana Tataavarti
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, 2023, 1 (one) meeting of the CSR Committee was held; the dates being May 23, 2022.

The attendance for the CSR Committee meetings for FY 2022-23 is as follows:

Name of the Member of committee	Position	No. of Meetings Attended	Leave of Absence granted
Henry D'Souza	Chairman	1	Nil
Pankaj Vaish	Member	1	Nil
Rama NS	Member	1	Nil
Kalpana Tataavarti	Member	-	Yes
Shrenik Kumar Champalal	Member	1	Nil

6. GENERAL BODY MEETINGS

A. Details of Annual General Meetings and Special Resolutions passed

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

Date	Time	Venue	Special Resolutions Passed	Directors' Attendance at AGM
August 3, 2022	11:00 A.M.	Video Conferencing / Other Audio Visual Means ("VC"/ "OAVM")	1. Appointment of Mr. Pankaj Vaish as an Independent Director of the Company	1. Henry D'Souza 2. Pankaj Vaish 3. Rama NS 4. Kalpana Tatavarti 5. Nachiket Vibhakar Sukhtankar 6. Shrenik Kumar Champalal
September 27, 2021	11:00 A.M.	Video Conferencing / Other Audio Visual Means ("VC"/ "OAVM")	1. Appointment of Mr. Nachiket Vibhakar Sukhtankar (DIN: 08778377) as Managing Director cum Chief Executive Officer of the Company for a period of three years 2. Re-appointment of Mr. Shrenik Kumar Champalal (DIN: 08099410) as Whole Time Director (Executive Director) of the Company	1. Henry D'Souza 2. Venkatesh Shastry 3. Rama NS 4. Kalpana Tatavarti 5. Nachiket Vibhakar Sukhtankar 6. Shrenik Kumar Champalal
September 23, 2020	10:00 A.M.	Video Conferencing / Other Audio Visual Means ("VC"/ "OAVM")	NA	1. Henry D'Souza 2. Venkatesh Shastry 3. Rama NS 4. Kalpana Tatavarti 5. Chandrasekhara Rao Boddoju 6. Shrenik Kumar Champalal

B. Extraordinary General Meeting & Postal Ballot

No Extraordinary General Meeting & Postal Ballot were conducted during the financial year ended March 31, 2023.

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 <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>
- ii. The Material Subsidiary Policy of the Company as approved by the Board of Directors is available at <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>
- iii. The Familiarization Programme for Independent Directors as approved by the Nomination and Remuneration Committee of the Company is available at <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>
- 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 <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.
- v. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets, during last three years: BSE Limited and National Stock Exchange of India Limited has not levied any penalty on the Company for last three years.
- vi. In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the 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 <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

- vii. The Company has received few routine explanations/letters from the stock exchanges and replied accordingly within prescribed time.
- viii. In accordance with the requirement of Section 177 of the Act and the Rules made there under and Regulation 22 of the Listing Regulations, the Company has formulated a 'Vigil Mechanism/Whistle Blower Policy'. No employee/ personnel have been denied access to the Audit Committee. The Vigil Mechanism / Whistle Blower Policy is available on the website of the Company at <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.
- ix. The Company has not raised funds through preferential allotment or qualified institutions placement during the last year.
- x. The Company has not adopted a treatment different from that prescribed in accounting standards.
- xi. The 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 Board's report forming part of Annual Report.
- xii. There are no pecuniary relationships or transactions between Non-Executive Directors and the Company. The Independent Directors are not paid any remuneration other than the sitting fee for attending meetings of the Board and the Committees thereof as approved by the Board.
- xiii. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of Regulation 34(3) of the Listing Regulations read with Schedule V of the Listing Regulations: The Company has complied with all the mandatory requirements of the Listing Regulations.

The Board has taken cognizance of the discretionary requirements as specified in Part E of Schedule II of Regulation 27(1) of the 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, Mr. Pankaj Vaish was appointed as Non-Executive Independent Director and Mr. Ventakesh Shastry had resigned as Non-Executive Independent Director. There is no change in the position of Chairman and CEO.
 - c. **Reporting of Internal Auditor:** The internal control systems of the Company are routinely tested and verified by Internal Auditors and significant 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 <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.
- xiv. The Board of Directors have accepted all recommendations of its committees.
 - xv. The total fees for all services paid by the Company and its subsidiary(ies), on a consolidated basis, to the Statutory Auditor of the Company, for the year ended March 31, 2023 is provided in notes to the Consolidated Financial Statements, forming part of the Annual Report.
 - xvi. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided in Board's Report forming part of the Annual Report.
 - xvii. Details of the material subsidiary of the Company including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

Name of the material subsidiary	Xchanging Solutions USA Inc	Xchanging Solutions Singapore Pte Limited
Date and place of Incorporation	February 14, 2000 in Delaware,USA	January 4, 1994 - Singapore
Name of the Statutory Auditor	U.S. law does not require the appointment of a statutory auditor	Corporate Assurance PAC
Date of appointment of Statutory Auditor		July 19, 2021

- xviii. Disclosures by the Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount' are provided in Financial statements for the financial year ended March 31, 2023.
- xix. 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 Regulation.

xx. 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.

xxi. Disclosure with respect to demat suspense account / unclaimed suspense account - Nil

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 <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>.

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., compliance@xchanging.com for the purpose of registering complaints by investors.

9. GENERAL SHAREHOLDERS' INFORMATION:

1. Annual General Meeting

Date and Time	: Friday, August 25, 2023
Venue*	: through Video Conferencing / Other Audio Visual Means

* the Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 14/2020 dated April 8, 2020; 17/2020 dated April 13, 2020; 20/2020 dated May 05, 2020; 02/2021 dated January 13, 2021; 02/2022 dated May 5, 2022; and 10/2022 dated December 28, 2022 issued by MCA (hereinafter referred as "MCA Circulars") read with Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020; Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021; Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 22nd Annual General Meeting (AGM) of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the AGM shall be Registered Office of the Company.

2. Financial Calendar

The financial calendar of the Company is reproduced below:

Annual General Meeting	August 25, 2023
Results for quarter ending June 30, 2023	August 2023
Results for quarter ending September 30, 2023	November 2023
Results for quarter ending December 31, 2023	February 2024
Results for year ending March 31, 2024	May 2024

3.. Cut-off Date : Friday, August 18, 2023

4. Dividend payment date : NA, since the Company has not declared any dividend for FY 2022-23

5. 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 2023-2024, has been paid to the above Stock Exchanges.

The annual custodial fee of CDSL and NSDL for the year 2023-2024 has also been paid.

Scrip Code:

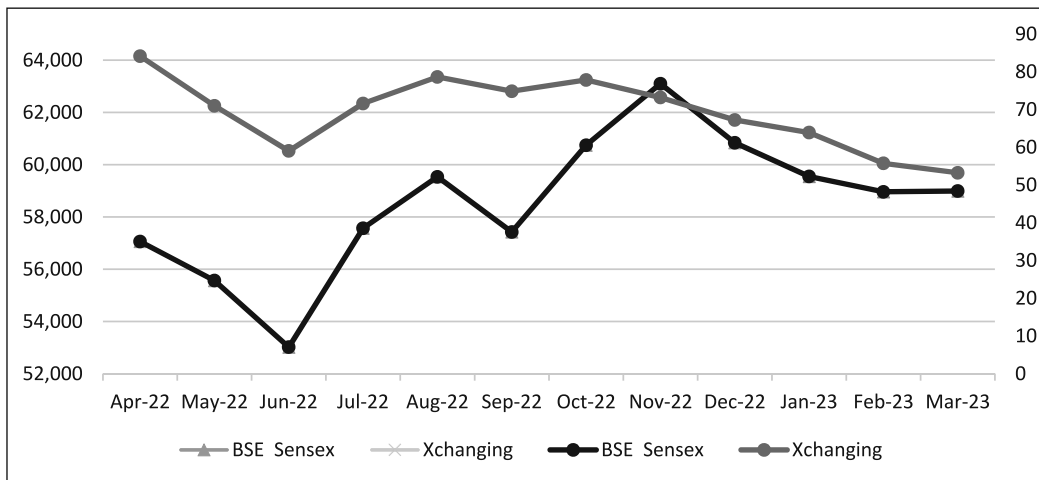
NSE	: XCHANGING
BSE	: 532616

6. Market Price Data

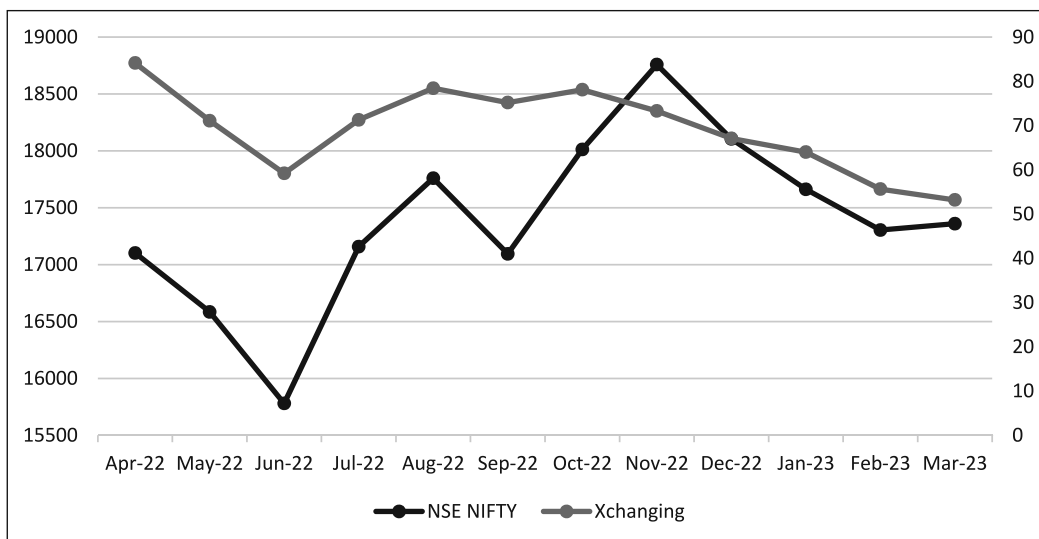
The monthly high and low share prices on both the exchanges for a period starting from April 2022 to March 2023 are as below:

Month & Year	Share price of Xchanging Solutions Limited (NSE)			Share price of Xchanging Solutions Limited (BSE)		
	High (Rs)	Low (Rs)	Close (Rs)	High (Rs)	Low (Rs)	Close (Rs)
Apr-22	94.90	80.90	84.15	95.80	81.05	84.15
May-22	83.80	62.60	71.10	83.70	62.95	71.00
Jun-22	73.60	55.80	59.20	73.45	55.90	59.05
Jul-22	80.70	58.40	71.30	81.50	58.30	71.60
Aug-22	81.65	69.70	78.45	81.55	69.80	78.65
Sep-22	91.00	72.50	75.20	91.15	72.20	74.85
Oct-22	85.95	73.40	78.10	85.95	73.70	77.85
Nov-22	79.95	69.30	73.30	79.95	70.00	73.20
Dec-22	77.65	60.55	67.10	77.00	60.25	67.25
Jan-23	71.20	61.40	64.00	74.20	61.25	63.90
Feb-23	65.30	54.80	55.65	65.00	55.00	55.75
Mar-23	65.40	51.65	53.20	65.40	51.67	53.24

7. Performance of Share Price in Comparison to BSE SENSEX



8. Performance of Share Price in Comparison to NSE NIFTY



9. Registrars and Transfer Agent:

KFin Technologies Limited
 (Formerly known as KFin Technologies Private Limited)
 Selenium Tower B, Plot 31-32, Gachibowli,
 Financial District, Nanakramguda,
 Hyderabad - 500 032.
 Phone: 040-67162222
 Fax 040-23001153
 Email: einward.ris@kfintech.com
 Website: www.kfintech.com

10. 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 therefore are complete in all respects. 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>

11. Shareholding Pattern

a. Categories of Shareholding as on March 31, 2023

Category	No. of Shares held	% of shareholding
Promoters	8,35,52,787	75.00%
Banks, FIs, Insurance Companies, Mutual Funds, NBFCs	3,65,089	0.33%
Foreign Portfolio Investor	1,24,940	0.11%
Corporate Bodies	12,61,945	1.13%
Indian Public	2,26,73,409	20.35%
NRIs/OCBs/Foreign National/Clearing member	34,25,546	3.07%
Total	11,14,03,716	100.00%

b. Distribution of Shareholding as on March 31, 2023

S. No.	No. of shares	No. of shareholders	% of total shareholders	No. of shares	% to equity
1	1-5000	47,908	85.78%	59,11,948	5.31%
2	5001 - 10000	4,135	7.40%	33,34,014	2.99%
3	10001 - 20000	2,028	3.63%	31,03,126	2.79%
4	20001 - 30000	664	1.19%	17,14,113	1.54%
5	30001 - 40000	321	0.57%	11,58,440	1.04%
6	40001 - 50000	240	0.43%	11,41,418	1.02%
7	50001 - 100000	334	0.60%	24,55,524	2.20%
8	100001 and above	221	0.40%	9,25,85,133	83.11%
	TOTAL	55,851	100	11,14,03,716	100.00%

12. 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, 2023, 111,305,171 shares representing 99.91% of the Company's total shares were held in dematerialized form and the balance 98,545 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

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

There are no outstanding GDRs/ADRs/Warrants.

14. 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.

15. 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, Bengaluru - 560066, Karnataka, India. Phone +91 80 4364 0000 Email: compliance@xchanging.com	KFin Technologies Limited (Formerly known as 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

16. No. of shares traded during the Financial Year ended March 31, 2023:

BSE: 63.79 lakh Shares

NSE: 492.32 lakh Shares

17. Credit Ratings: The Company is not required to take credit rating.

18. 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, Nachiket Vibhakar Sukhtankar, 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, 2023 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, 2023;
 - (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.

For and on behalf of the Board of Directors,

Nachiket Vibhakar Sukhtankar
Managing Director & Chief Executive Officer

Place: Mumbai
Date: May 25, 2023

Shrenik Kumar Champalal
Whole Time Director & Chief Financial Officer

Place: Bangalore
Date: May 25, 2023

ANNEXURE-B TO CORPORATE GOVERNANCE REPORT

Certificate on Compliance with the Corporate Governance requirements under 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
[CIN: L72200KA2002PLC030072]

We have examined the compliance of conditions of Corporate Governance by Xchanging Solutions Limited ("the Company"), for the financial year ended March 31, 2023 as stipulated under Regulations 17 to 27, 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") pursuant to the Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the management of the Company including the preparation and maintenance of all the relevant records and documents. 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, clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations for the year ended on March 31, 2023.

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.

For **M/s. MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]

Ankush Agarwal
Partner
Membership No: F9719
Certificate of Practice No: 14486
Peer Review Certificate No.: 2064/2022
UDIN: F009719E000352952

Date : 22-05-2023
Place: Noida, U.P.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

SECTION A- GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L72200KA2002PLC030072
2.	Name of the Listed Entity	Xchanging Solutions Limited
3.	Year of incorporation	01/02/2002
4.	Registered office address	Kalyani Tech Park, Survey No. 1, 6 & 24, Kundanhalli Village, K R Puram, Hobli, Bangalore, Karnataka - 560 066
5.	Corporate address	Kalyani Tech Park, Survey No. 1, 6 & 24, Kundanhalli Village, K R Puram, Hobli, Bangalore, Karnataka - 560 066
6.	E-mail	compliance@xchanging.com
7.	Telephone	+91 80 33870001
8.	Website	https://dxc.com/in/en/about-us_xchanging-solutions-limited-investor-relations
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited; and National Stock Exchange of India Ltd.
11.	Paid-up Capital	INR 111,40,37,160/- (as on March 31, 2023)
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mayank Jain, Company Secretary, +91 80 33870001, compliance@xchanging.com
13.	Reporting boundary Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures under this report are made on standalone basis.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Information Technology	IT Software, IT Hardware & ITES	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Computer programming activities	6201	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	NA	2	2
International	NA	-	-

Business Responsibility and Sustainability Reporting

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	2 offices-Bangalore and Chennai
International (No. of Countries)	No office outside India

b. What is the contribution of exports as a percentage of the total turnover of the entity? 74.28%

c. A brief on types of customers: Company is providing IT & ITES related services to the Banks and Private Sector Companies.

IV. Employees

18. Details as at the end of Financial Year: 2022-23

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No (B)	% (B/A)	No (C)	% (C/A)
Employees						
1	Permanent (D)	109	91	83.48%	18	16.51%
2	Other than Permanent (E)	0	0	0	0	0
3	Total employees (D + E)	109	91	83.48%	18	16.51%
Workers						
1	Permanent (F)	0	0	0	0	0
2	Other than Permanent (G)	0	0	0	0	0
3	Total Workers (F + G)	0	0	0	0	0

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No (B)	% (B/A)	No (C)	% (C/A)
Differently Abled Employees						
1	Permanent (D)	0	0	0	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	Total differently abled employees (D + E)	0	0	0	0	0
Differently Abled Workers						
1	Permanent (F)	0	0	0	0	0
2	Other than Permanent (G)	0	0	0	0	0
3	Total Workers (F + G)	0	0	0	0	0

19. Participation/Inclusion/Representation of women

	Total(A)	No. and percentage of Females	
		No(B)	%(B/A)
Board of Directors	6	2	33%
Key Management Personnel	3	0	0

20. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years)

	2022-23			2021-22			2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	19.70%	33.30%	22.11%	25.70%	33.30%	27.13%	8.10%	3.60%	7.38%
Permanent Workers	0	0	0	0	0	0	0	0	0

Business Responsibility and Sustainability Reporting

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of Holding / Subsidiary / Associate companies / Joint ventures.

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Xchanging Solutions Singapore Pte Limited	Subsidiary	100%	No DXC Technology Company, US (“DXC”) is the ultimate parent entity of the Company and its Subsidiaries. All Policies / practices to the extent relevant are also applicable to the subsidiaries of DXC Technology Company, US, in conformity with the applicable laws
2	Xchanging Solutions USA Inc	Subsidiary	100%	No DXC Technology Company, US is the ultimate parent entity of the Company and its Subsidiaries. All Policies / practices to the extent relevant are also applicable to the subsidiaries of DXC Technology Company, US, in conformity with the applicable laws
3	Xchanging Mauritius Limited	Promoter Group (Holding Company)	52.07%	No DXC Technology Company, US is the ultimate parent entity of the Company and its Subsidiaries. All Policies / practices to the extent relevant are also applicable to the subsidiaries of DXC Technology Company, US, in conformity with the applicable laws
4	Xchanging Technology Services India Private Limited	Promoter Group	19.16%	No DXC Technology Company, US is the ultimate parent entity of the Company and its Subsidiaries. All Policies / practices to the extent relevant are also applicable to the subsidiaries of DXC Technology Company, US, in conformity with the applicable laws
5	DXC Technology India Private Limited	Promoter Group	3.77%	No DXC Technology Company, US is the ultimate parent entity of the Company and its Subsidiaries. All Policies / practices to the extent relevant are also applicable to the subsidiaries of DXC Technology Company, US, in conformity with the applicable laws

VI. CSR Details

22. (i). Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes
(ii). Turnover (in Rs.)- Rs 3,811 lakhs
(iii). Net worth (in Rs.)- Rs 28,182 lakhs

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VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, the Company has a robust grievances redressal mechanism, including an online portal called Ethics Point/Speak Up forum, wherein any person (whether an employee, ex-employee or third party) can report his/her/their complaint/concern (including violation of HR, if applicable) as well as be apprised as to its progress/resolution. Beside this, there is a dedicated email ID wherein any person can email their grievances.	0	0	-	0	0	-
Investors(other than shareholders)	Yes, the Company has a robust grievances redressal mechanism, including an online portal called Ethics Point/Speak Up forum, wherein any person (whether an employee, ex-employee or third party) can report his/her/their complaint/concern (including violation of HR, if applicable) as well as be apprised as to its progress/resolution. Beside this, there is a dedicated email ID wherein any person can email their grievances.	0	0	-	0	0	-
Shareholders	Yes, the Company is following strong Grievance Redressal Mechanism and has separate committee of Directors i.e. Stakeholders' Relationship Committee	1	0	Resolved	1	0	Resolved
Employees and workers	Yes, the Company follows global DXC's Code of Conduct supplemented by specific policies like POSH etc, which clearly calls out that no form of retaliation will be acceptable. Employees are educated on the appropriate channels to report any form of retaliation displayed against them or anyone else through HR/Manager/Legal/Ethics channels.	0	0	-	0	0	-
Customers	Yes, Service Level Agreement and Escalation matrix mentioned in Agreement	0	0	-	0	0	-
Value Chain partners	Yes, Value Chain Partners can raise complaints with the Company.	0	0	-	0	0	-
Other (please specify)	Nil	0	0	-	0	0	-

24. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Business Responsibility and Sustainability Reporting

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.					

SECTION B- MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	-	-	-	-	-	-	-	-
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Nil								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same aren't met.	NA	NA	NA	NA	NA	NA	NA	NA	NA
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Company provides IT & ITES related services and the Company has adopted work from home policy. Therefore, Company has limited applicability of NGRBC principles. However, the company strives to follow applicable directions/ guidelines provided by the Government of India. Further, efforts are being made on the ESG front to contribute to the community through CSR activities.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	DXC Technology Company, US is the ultimate parent entity of the Company made this policy and it is applicable for all its subsidiaries including Xchanging Solutions Limited								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	All the policies of the Company are approved by the Board and reviewed periodically or on a need basis.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with the regulations, rules and principles as are applicable																	

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11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Sr. No.	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	No	No	No	No	No	No	No	No	No

12. If answer to question (1) above is No i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not Applicable								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not Applicable								
It is planned to be done in the next financial year (Yes/No)	Not Applicable								
Any other reason (please specify)	Not Applicable								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage covered by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of directors	4	Key Developments, Regulatory updates, Review of Policy & procedures	100%
Key Managerial personnel	4	Code of Conduct, Business Ethics responsible business decision making, Accountable leadership, Ethical obstacles strategy guide	100%
Employees other than BoD and KMPs	4	Code of Conduct, Business Ethics responsible business decision making, Accountable leadership, Ethical obstacles strategy guide	100%
Workers	0	0	0%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

Monetary					
Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	NA	NA
Settlement	Nil	Nil	Nil	NA	NA
Compounding fee	Nil	Nil	Nil	NA	NA

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Non-Monetary				
Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

S. No.	Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
1	Nil	Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

We firmly believe and adhere to transparent, fair and ethical governance practices to encourage professionalism, honesty, integrity and ethical behavior. The Code of Conduct (“the Code”) of DXC Technology Company, Ultimate Holding Company, USA, which is applicable to all the employees and Board Members of the Company, and which lays down the important corporate ethical practices that shape the Company’s business practices and represents the ever cherished values of the Company. The Code is an extension of our values and reflects our continued commitment to ethical business practices across our operations. In this endeavor to create enduring value for all our stakeholders and to ensure the highest level of honesty, integrity and ethics in all its operations, the Company has adopted the ‘Whistle Blower Policy’. Through this Policy, the Company encourages its stakeholders to bring to the Company’s attention any instances of unethical behavior, actual or suspected incidents of fraud or violation of Company’s Code of Business Conduct that could adversely impact the Company’s operation, business performance and reputation. In order to protect investors’ interest, the Company has adopted this Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons.

Please refer policy https://dxc.com/content/dam/dxc/projects/dxc-com/in/pdfs/About%20Us/investor-relations/xchanging-ir-documents/disclosures-under-regulation-46-of-the-sebi-listing-regulations-%20policies/new-policies/Code%20of%20Conduct_%20DXC%20Technology%20Company.%20US.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

Category	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.- Not Applicable

Business Responsibility and Sustainability Reporting

Leadership Indicators

- Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

S. No.	Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	Nil	Nil	Nil

- Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)
If Yes, provide details of the same.

Yes. The Company receives an annual declaration (changes from time to time) from its Board members and KMP on the entities they are interested in and ensures requisite approvals as required under the statute as well as the Company's policies are in place before transacting with such entities / individuals.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	Nil	Nil	Nil
Capex	Nil	Nil	Nil

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)- Yes
- If yes, what percentage of inputs were sourced sustainably?

The Company is conscious of the role of sustainability in its business and actively collaborates with vendors and suppliers to raise ethical and environmental standards.

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

Leadership Indicators

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

S. No.	NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

S. No.	Name of Product / Service	Description of the risk / concern	Action Taken
Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services. Further, all IT assets are safely disposed through industry-approved ewaste vendors.			

Business Responsibility and Sustainability Reporting

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services. Further, all IT assets are safely disposed through industry-approved ewaste vendors.		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not applicable. The Company provides IT and ITES related services., the Company does not manufacture any product. Further, All IT assets are safely disposed through industry-approved ewaste vendors.					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

S. No.	Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
1	Not applicable. The Company provides IT and ITES related services, the Company does not manufacture any product.	

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees (Permanent Employees).

Category	% of employees covered by										
	Total(A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Employees											
Male	91	91	100%	91	100%	0	0%	0	0%	NA	NA
Female	18	18	100%	18	100%	0	0%	0	0%	NA	NA
Total	109	109	100%	109	100%	0	0%	0	0%	NA	NA
Other than permanent Employees											
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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b. Details of measures for the well-being of workers.

Category	% of employees covered by										
	Total(A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other than permanent Workers											
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

2. Details of retirement benefits.

Benefits	No. of employees covered as a % of total employees.	No. of workers covered as a % of total workers.	Deducted and deposited with the authority	No. of employees covered as a % of total employees.	No. of workers covered as a % of total workers.	Deducted and deposited with the authority
	FY 2022-23			FY 2021-22		
PF	100%	0	Yes	100%	0	Yes
ESI	0	0	Nil	0	0	Nil
SA	0	0	Nil	0	0	Nil
NPS	7%	0	Yes	9%	0	Yes
GRATUITY	100%	0	Yes	100%	0	Yes

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.-

Not applicable. The Company has adopted work from home policy.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.-

The Company, being an equal opportunity employer, believes in promoting diversity and inclusion in its work culture, which allows all employees to contribute wholly with their skills, experience and perspective for creating unmatched value for all stakeholders. The Company endeavours to provide a safe, secure, and congenial work environment so that employees can deliver their best without inhibition.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

No employee has availed Parental leave in the FY 2022-23.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	NA	NA	NA	NA
Total	NA	NA	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes, Each employee has a Human Resources Business Partner (HRBP) that they can reach out to, to report any grievance apart from their Business Managers. HRBPs work with Business to resolve the issue and involve the Employee Relations Team and Legal whenever required. Employee can also report their grievances through the Ethics Channel or through the speak-up channel which ensures the anonymity of the complainant.

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Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Nil
Other than Permanent Workers	Nil
Permanent Employees	Yes
Other than Permanent Employees	Nil

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union(B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union(D)	%(D / C)
Total Permanent Employees	Nil	Nil	Nil	Nil	Nil	Nil
- Male	Nil	Nil	Nil	Nil	Nil	Nil
- Female	Nil	Nil	Nil	Nil	Nil	Nil
Total Permanent Workers	Nil	Nil	Nil	Nil	Nil	Nil
- Male	Nil	Nil	Nil	Nil	Nil	Nil
- Female	Nil	Nil	Nil	Nil	Nil	Nil

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	91	81	89%	83	91%	112	66	59%	82	73%
Female	18	16	89%	16	89%	25	11	44%	17	68%
Total	108	97	89%	99	91%	137	77	56%	99	72%
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

9. Details of performance and career development reviews of employees and workers

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (B)	%(D/C)
Employees						
Male	91	90	99%	112	78	70%
Female	18	18	100%	25	18	72%
Total	109	108	99%	137*	96	70%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

*29 considered in non-evaluated

Business Responsibility and Sustainability Reporting

10. Health and safety management system:

Not Applicable as the Company has adopted work from home policy. However, the Company extends the benefit of medical insurance, term life insurance and Group Personal Accident Policy for all its employees. Further, the Company has in place the Conviction of Safety Policy which compensates the employees in the unfortunate event of Death or Permanent / Temporary disablement. Benefits like provident fund, extended gratuity payment and superannuation are settled on priority.

- Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No)**. If yes, the coverage such system? - Not Applicable
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? -Not Applicable
- Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N) - Not Applicable
- Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? **(Yes/No)** - Not Applicable

11. Details of safety related incidents, in the following format:

Not Applicable as the Company has adopted work from home policy.

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy workplace. –

Not Applicable as the Company has adopted work from home policy.

13. Number of complaints on the following made by employees and workers.

Not Applicable as the Company has adopted work from home policy.

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

Not Applicable as the Company has adopted work from home policy.

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Nil
Working Conditions	Nil

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.-

Not Applicable as the Company has adopted work from home policy.

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Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).-

The Company extends the benefit of medical insurance, term life insurance and Group Personal Accident Policy for all its employees. Further, the Company has in place the Conviction of Safety Policy which compensates the employees in the unfortunate event of Death or Permanent / Temporary disablement. Benefits like provident fund, extended gratuity payment and superannuation are settled on priority.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Yes, the Company checks the data before Statutory remittances and do Maker, Checker concept as per SOX compliance.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Not Applicable as the Company has adopted work from home policy.

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No) – Yes, Company provides access to online training portal for a period of 90 days following termination of employment

5. Details on assessment of value chain partners:-

Not applicable as the Company has adopted work from home policy.

Category	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable as the Company has adopted work from home policy.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.-

The Company first identifies all its key stakeholders on a regular basis, who could be impacted by Company's operations evaluates them based on their ability to influence the Company and understand what matters the most to them.

Our stakeholders are our shareholders, clients, employees, suppliers, government / regulators and the community.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

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S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group(Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/Quarterly/ others – please specify)	Objectives	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Shareholders	No	<ul style="list-style-type: none"> • Stock Exchange Intimations • Newspaper • Website • Email as and when required 	Annually/Half yearly/ Quarterly/ others as required	<ul style="list-style-type: none"> • Quarterly results • Annual general meeting • Financial reports 	Nil
2	Clients	No	<ul style="list-style-type: none"> • Client visit • Meetings • Email 	Need basis	<ul style="list-style-type: none"> • Business value • Innovation 	Nil
3	Suppliers	No	<ul style="list-style-type: none"> • Meetings • Facility visits • Email 	Need Basis	Suppliers are contacted regularly to ensure material quality, safety and timely availability amongst other critical services to ensure continuity of business operations.	Nil
4	Employees	No	<ul style="list-style-type: none"> • Email • Townhall meetings • Surveys 	Need Basis	<ul style="list-style-type: none"> • Career opportunities • Health & safety • Learning & development 	Nil
5	Government/ Regulators	No	<ul style="list-style-type: none"> • Email • Stock Exchange Disclosures 	Need basis	<ul style="list-style-type: none"> • Good governance • Compliance 	Nil
6	Community	No	<ul style="list-style-type: none"> • Email • Visits 	Need basis	<ul style="list-style-type: none"> • Access to healthcare • Access to education • Improved livelihoods 	Nil

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company is committed to improving the lives of underprivileged individuals by dedicating itself to corporate social responsibility (CSR) initiatives. Through our CSR efforts, we are striving to make a positive impact in the areas of education and skilling, as well as any other modes that can bring about meaningful change. We keep detailed trackers through reports and dashboards and present data to the Board at regular intervals and incorporate their feedback into the programming.

2. Whether Stakeholders consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, we place a strong emphasis on measuring the effectiveness of our programs through comprehensive monitoring and evaluation processes. Our approach involves working closely with industry experts to conduct detailed audits that help us identify areas of improvement and ensure that our programs are meeting their intended objectives. We also collaborate with our Board to gather inputs and insights that further enhance our understanding of program outcomes.

Through this approach, we are committed to continuously improving our programs and ensuring that they are effective in delivering the intended benefits to our stakeholders.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.-

Under our CSR Initiatives in FY'2022-23 - The National Inclusive Education Program aims to ensure that all Children with Visual Impairment (CVIs) receive a quality education in an inclusive environment across Government schools in Alwar District, Rajasthan, while receiving appropriate skill sets and devices. A total of 71 CVIs were identified for appropriate training on Mobile, Laptops, and Plus curriculum. A low-vision assessment was conducted to identify children who required low-vision devices. We conducted Low Vision assessment of 53 CVIs; out of which 23 are eligible to receive these devices. Rest of the 30 Children are referred to tertiary hospital for further examination. 16 Master trainers and 31 General Govt. Teachers received training on Inclusive Pedagogy & ICT. Additionally, a Block Resource Center was established in Pratap Govt. Senior Secondary School, Ghoda Fer Circle, Alwar to provide regular educational support to children with visual

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impairment, conduct sensitization and training for various stakeholders, and demonstrate this to the Government for scale-up of this model at the state level. Overall, the project has directly impacted 166 beneficiaries and indirectly impacted 203 CVIs.

PRINCIPLE 5 Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/workers covered (B)	%(B / A)	Total(C)	No. of employees/workers covered (D)	%(D / C)
Employees						
Permanent	109	99	90%	137	94	68%
Other than permanent	NA	NA	NA	NA	NA	NA
Total Employees	109	99	90%	137	94	68%
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	NA	NA	NA

2. Details of minimum wages paid to employees, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total(D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	%(B / A)	No. (C)	%(C / A)		No.(E)	%(E /D)	No.(F)	%(F /D)
Employees										
Permanent										
Male	91	0	0	91	100%	112	2	2%	110	98%
Female	18	1	6%	17	94%	25	1	4%	24	96%
Other than Permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0

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3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary of respective category (in Rs.)	Number	Median remuneration/ salary of respective category (in Rs.)
Board of Directors (BoD)*	2	900,000	2	630,000
Key Managerial Personnel	3	25,75,000	Nil	Nil
Employees other than BoD and KMP	91	13,91,823	18	13,21,854
Workers	Nil	Nil	Nil	Nil

*Excluding KMPs

- Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)- Yes, DXC has a dedicated Integrity team to resolve these issues.
- Describe the internal mechanisms in place to redress grievances related to human rights issues.- The Company has a robust grievances redressal mechanism, including an online portal called Ethics Point/Speak Up forum, wherein any person (whether an employee, ex-employee or third party) can report his/her/their complaint/concern (including violation of HR, if applicable) as well as be appraised as to its progress/resolution. Beside this, there is a dedicated email ID wherein any person can email their grievances.
- Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

- Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.- The Company follows DXC's Code of Conduct supplemented by specific policies like POSH etc. which clearly calls out that no form of retaliation will be acceptable. Employees are educated on the appropriate channels to report any form of retaliation displayed against them or anyone else through HR/Manager/Legal/Ethics channels.
- Do human rights requirements form part of your business agreements and contracts? (Yes/No)- Yes
- Assessments for the year: No complaint was received during the FY 2022-23.

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced/involuntary labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others – please specify	Nil

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.-

While there were nil assessments, the Company reviews its policies and procedures frequently to ensure that employee experience is enhanced. Specific to POSH, an annual training is undertaken every year to educate the employees on their rights and responsibilities.

Business Responsibility and Sustainability Reporting

Leadership Indicators

- Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.-
The Company follows Global DXC's Code of Conduct. The Company has a strong vigil mechanism by means of different policies and procedures and the Company is in compliance with the applicable laws. We ensure strict compliance of child labor, forced / involuntary labor, sexual harassment, discrimination at workplace and minimum wages. These issues are a pre-requisite for the ethical functioning of the Company. The Company, at no point tolerate the violation of basic human rights of any of our stakeholders. . The Company has a dedicated DXC integrity team.
- Details of the scope and coverage of any Human rights due-diligence conducted.-
The Company follows the Global DXC's Code of Conduct which covers all aspects of human-rights diligence such as non-discrimination, equal remuneration, prevention on sexual harassment, etc.
- Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
Yes, However, It is not applicable as the Company has adopted work from home policy.
- Details on assessment of value chain partners:-
No compliant was received during the FY 2022-23.

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	Nil
Child Labour	Nil
Forced Labour/Involuntary Labour	Nil
Wages	Nil
Others – please specify	Nil

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.-
The Company has not received any compliant, therefore, no action is required.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

The Company has adopted work from home policy. No employee is required to work at office place unless there is specific requirement as per Law or client requirement. The Company has maintained office for Regulatory Compliance purposes, client meetings, etc.

- Details of total energy consumption (in Joules or multiples) and energy intensity.
Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	79862	26475
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	79862	26475
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0	0
Energy intensity (optional) – the relevant metric may be selected by the entity	0	0

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-

No

- Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.-
Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

Business Responsibility and Sustainability Reporting

3. Provide details of the following disclosures related to water, in the following format: Water withdrawal by source (in kilolitres)
Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	0	0
Total volume of water consumption (in kilolitres)	0	0
Water intensity per rupee of turnover (Water consumed / turnover)	0	0
Water intensity (optional) – the relevant metric may be selected by the entity	0	0

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency-

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.-
Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:
Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	NA	NA	NA
Sox	NA	NA	NA
Particulate matter (PM)	NA	NA	NA
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:
Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	NA	NA	NA
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	NA	NA	NA
Total Scope 1 and Scope 2 emissions per rupee of turnover	NA	NA	NA
Total Scope 1 and Scope 2 emission intensity (optional)–the relevant metric may be selected by the entity	NA	NA	NA

Business Responsibility and Sustainability Reporting

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.-

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

8. Provide details related to waste management by the entity, in the following format:

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste(B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	0
Total (A + B + C + D + E + F + G + H)	0	0
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste - Plastic		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0
Category of waste - E-Waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0
Category of waste - Bio-medical waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0
Category of waste - Construction and demolition waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0

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Parameter	FY 2022-23	FY 2021-22
Category of waste - Battery waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0
Category of waste - Radioactive waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0
Category of waste - Other Hazardous waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0
Category of waste - Other Non-Hazardous waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste - Plastic	0	0
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0
Category of waste - E-Waste	0	0
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total		
Category of waste - Bio-medical Waste	0	0
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0

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Parameter	FY 2022-23	FY 2021-22
Category of waste - Construction and demolition waste	0	0
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0
Category of waste - Battery	0	0
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0
Category of waste - Radioactive	0	0
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0
Category of waste - Other Hazardous waste. Please specify, if any	0	0
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0
Category of waste - Other Non-hazardous waste generated	0	0
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.-

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	NA	NA	NA

Business Responsibility and Sustainability Reporting

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

S. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	NA	NA	NA	NA	NA	NA

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/ N). If not, provide details of all such non-compliances, in the following format:

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	NA	NA	NA	NA

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	0	0
Total fuel consumption (E)	0	0
Energy consumption through other sources (F)	0	0
Total energy consumed from nonrenewable sources (D+E+F)	0	0

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

2. Provide the following details related to water discharged:

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
- No treatment	0	0
With treatment – please specify level of treatment	0	0

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Parameter	FY 2022-23	FY 2021-22
(iii) To Seawater	0	0
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third parties	0	0
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

Provide the following details related to water discharged (level of treatment):

Parameter	FY 2022-23	FY 2021-22
To Surface water- please specify level of treatment	0	0
To Groundwater- please specify level of treatment	0	0
To Seawater- please specify level of treatment	0	0
Sent to third parties- please specify level of treatment	0	0
Others- please specify level of treatment	0	0

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal(in kilolitres)	0	0
Total volume of water consumption(in kilolitres)	0	0
Water intensity per rupee ofturnover (Water consumed / turnover)	0	0
Water intensity (optional) – the relevant metric may be selected by the Entity	0	0
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) Into Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0

Business Responsibility and Sustainability Reporting

Parameter	FY 2022-23	FY 2021-22
(iii) Into Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	0	0	0
Total Scope 3 emissions per rupee of turnover	0	0	0
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	0	0	0

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.-

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
0	0	0	0

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.-

The Company follows Global DXC's code of conduct. DXC routinely reviews its resilience structure to align with changing business and regulatory requirements and industry best practices. In the event of a disruption, our priority is to care for the safety of our colleagues, in line with our people-first strategy. Once our people are safe and secure, our next priority is to restore the infrastructure, such as network and monitoring services required to deliver excellence for our customers. Prioritization of individual customer recovery is governed by the terms of the specific contract and plan. DXC's Delivery teams and Functions are responsible for creating and maintaining their Business Continuity Plans. DXC's IT Disaster Recovery Standard requires DXC internal application owners to designate whether the application requires Disaster Recovery

Business Responsibility and Sustainability Reporting

or not. If so, then a Disaster Recovery Plan will be created for the application, its hardware, and data, and the Disaster Recovery Plan will document the technology recovery strategy to recover within the required recovery parameters.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.-

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.-

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

- 1 (a) Number of affiliations with trade and industry chambers/ associations.-
Please refer serial no. 1 (b)
- 1 (b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	National Association of Software and Services Companies (NASSCOM)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Nil

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Not Applicable- In line with DXC's Global Code of Conduct, all India Policies are fair, transparent and inclusive while being adherent to the applicable law. Our Leadership pioneer these policies and drive change management as and when required through the policies.

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link, if available
1	NA	NA	NA	NA	NA

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
1	Not Applicable					

Business Responsibility and Sustainability Reporting

3. Describe the mechanisms to receive and redress grievances of the community.-

The Company follows global DXC's Code of Conduct supplemented by specific policies like POSH etc. which clearly calls out that no form of retaliation will be acceptable. Employees are educated on the appropriate channels to report any form of retaliation displayed against them or anyone else through HR/Manager/Legal/Ethics channels.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Not applicable. The Company does not manufacture any product and the Company has adopted work from home policy. The Company provides IT and ITES related services.

Category	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	NA	NA
Sourced directly from within the district and neighbouring districts	NA	NA

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

S. No.	Details of negative social impact identified	Corrective action taken
1	Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1	Rajasthan	Alwar	Rs 46.28 Lakhs

Administration cost of Rs 1.28 lakhs.

3(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)-

No

3(b) From which marginalized /vulnerable groups do you procure?-

Not Applicable

3(c) What percentage of total procurement (by value) does it constitute?-

Nil

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year 2022-23), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	Not Applicable			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

S. No.	Name of authority	Brief of the Case	Corrective action taken
1	Not applicable		

6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	National Inclusive Education Programme	~369	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.-

Business Responsibility and Sustainability Reporting

Each customer concern is addressed with utmost care at all levels. DXC team acknowledge, analyze the incidents and develop an action plan to resolve it. The team engages with the customer, to validate the action plan and regularly updates customers about the progress of action taken.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable. The Company does not manufacture any product and the Company provides IT and ITES related services.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Others	0	0	NA	0	0	NA

4. Details of instances of product recalls on account of safety issues:

Category	Number	Reasons for recall
Voluntary recalls	Not applicable. The Company does not manufacture any product and the Company provides IT and ITES related services.	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.-

Yes, Company has Data Privacy and Data Protection Policy but the policy is only for internal consumption hosted in Policy Central.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.-

Not Applicable, the Company is not in essential services.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).-

Please refer <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.-

Not applicable, as the Company does not have any products/services that can entail safety issues or a usage abuse.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.-

Not Applicable, the Company is not in essential services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Not applicable

5. Provide the following information relating to data breaches: Not applicable

a. Number of instances of data breaches along-with impact- Not applicable

b. Percentage of data breaches involving personally identifiable information of customers- Not Applicable

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, 2023, 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, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 3.1 (ii) and Note 36 to the Standalone financial statements.</p>	<p>Principal Audit Procedures performed:</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls relating to:</p> <ol style="list-style-type: none">(1) identification, evaluation, recognition of provisions, and disclosure of material uncertain tax positions including matters under dispute by considering the assumptions and information used by management in performing this assessment;(2) completeness and accuracy of the underlying data/information used in the assessment. <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2023 from management. With the assistance of our internal experts, we challenged the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2022 to evaluate whether any change was required to management's position on these uncertainties.</p>

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

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

Independent Auditor's Report

- 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.

Responsibilities of Management and Those Charged with Governance 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 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's 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.

Independent Auditor's Report

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. Also refer note 41 to the standalone financial statements.
- 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to standalone financial statements 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 with reference to standalone financial statements.
- 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 – Refer Note 36 to the 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.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 44.2 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 44.2 to the financial statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Independent Auditor's Report

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representations given by the Management under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("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)

Place: Bengaluru
Date: May 25, 2023

Gurvinder Singh
(Partner)
(Membership No. 110128)
(UDIN 23110128BGRDFB3967)

Independent Auditor's Report

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 with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Xchanging Solutions Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone 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 with reference to standalone financial statements based on the internal control with reference to standalone financial statements 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 with reference to standalone financial statements 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 with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements 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 with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements and such internal financial

Independent Auditor's Report

controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by 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)

Place: Bengaluru
Date: May 25, 2023

Gurvinder Singh
(Partner)
(Membership No. 110128)
(UDIN 23110128BGRDFB3967)

Independent Auditor's Report

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i) (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) The Company has a program of physical verification of property, plant and equipment and right-of-use assets to cover all the items once every 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, certain Property, Plant and Equipment were due for verification during the year and 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.
- (i) (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
- (i) (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (i) (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.
- (ii) (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iii) (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(a) of the Order is not applicable.
- (iii) (b) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(b) of the Order is not applicable.
- (iii) (c) The Company has granted loans or provided advances in the nature of loan are payable on demand. During the year the Company has not demanded such loan or advances in the nature of loan. Having regard to the fact that the repayment of principal or payment of interest has not been demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular.
- (iii) (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (iii) (e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.
- (iii) (f) The Company has granted Loans or advances in the nature of loans which are repayable on demand, details of which are given below:

Amount (Rs. in lakhs)

	All Parties*	Promoters*	Related Parties*
Aggregate of loans/advances in nature of loans			
- Repayable on demand (A)	18,901	900	18,001 [#]
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	18,901	900	18,001
Percentage of loans/advances in nature of loans to the total loans	100%	100%	100%

*The amounts reported are at gross amounts, without considering provisions made.

[#]This includes Rs. 718 Lakhs to a subsidiary of promoter.

- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

Independent Auditor's Report

- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) (a) In respect of statutory dues:
Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities during the year. There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (vii) (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs. In lakhs)
Income Tax Act, 1961	Income Tax	High Court	FY 2008-09	*
Income Tax Act, 1961	Income Tax	High Court	FY 2009-10	6
Income Tax Act, 1961	Income Tax	High Court	FY 2012-13	**
Income Tax Act, 1961	Income Tax	High Court	FY 2013-14	0.10***
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal (ITAT)	FY 2014-15	@
Income Tax Act, 1961	Income Tax	Assessing Officer	FY 2015-16	112
Income Tax Act, 1961	Income Tax	Assessing Officer	FY 2016-17	333
Income Tax Act, 1961	Income Tax	Assessing Officer	FY 2020-21	642
Finance Act, 1994	Service Tax (including penalty)	Customs Excise and Service Tax Appellate Tribunal (CESTAT)	FY 2007-08 to 2011-12	4,541 [#]

*Net of Rs. 42 lakhs paid under protest

**Net of Rs. 85 lakhs paid under protest

***Net of Rs. 617 lakhs paid under protest

@ Net of Rs. 606 lakhs paid under protest

[#]Net of Rs. 177 lakhs paid under protest

- (viii) According to the information and explanations provided to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.
- (ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (ix) (d) The Company has not raised funds on short-term basis and hence, reporting under clause (ix)(d) of the Order is not applicable to the Company.
- (ix) (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (ix) (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer/ further public offer (including debt instruments) during the year and hence, reporting under clause (x)(a) of the Order is not applicable.
- (x) (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

Independent Auditor's Report

- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (xi) (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (xi) (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (xiv) (b) We have considered, the internal audit reports issued to the Company during the year and till date for the year under audit.
- (xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a), (b), (c) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (xvi) (d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amounts for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

Place: Bengaluru
Date: May 25, 2023

Gurvinder Singh
(Partner)
(Membership No. 110128)
(UDIN 23110128BGRDFB3967)

BALANCE SHEET

XCHANGING SOLUTIONS LIMITED

Balance Sheet as at March 31, 2023

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

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	28	46
Right of use assets	5	126	167
Other intangible assets	6	1	2
Financial assets			
Investments	7	5,186	5,186
Loans	8	1,618	718
Deferred tax assets (net)	10	369	665
Income tax assets (net)	20.1	2,059	2,064
Other non-current assets	11	331	339
Total non-current assets		9,718	9,187
Current assets			
Financial assets			
Trade receivables	12	350	508
Cash and cash equivalents	13	21,974	20,205
Bank balances other than above	14	7	17
Loans	8	-	900
Other financial assets	9	125	97
Other current assets	11	70	102
Total current assets		22,526	21,829
Total assets		32,244	31,016
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	11,140	11,140
Other equity	16	17,042	15,593
Total equity		28,182	26,733
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	34	94	134
Provisions	17	422	403
Total non-current liabilities		516	537

Balance sheet

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

	Note	As at	As at
		March 31, 2023	March 31, 2022
Current liabilities			
Financial liabilities			
Lease liabilities	34	40	38
Trade payables			
- Dues of micro enterprises and small enterprises	18	-	-
- Dues of creditors other than micro enterprises and small enterprises	18	452	470
Other financial liabilities	19	-	8
Provisions	17	123	137
Current tax liabilities (net)	20.2	2,860	2,998
Other current liabilities	21	71	95
Total current liabilities		3,546	3,746
Total liabilities		4,062	4,283
Total equity and liabilities		32,244	31,016

See accompanying notes to the financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Gurvinder Singh
Partner
Membership No. 110128

Place: Bengaluru
Date: May 25, 2023

For and on behalf of the Board of Directors

Nachiket Vibhakar Sukhtankar
Managing Director and
Chief Executive Officer
DIN: 08778377

Place: Mumbai
Date: May 25, 2023

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

Place: Bengaluru
Date: May 25, 2023

Mayank Jain
Company Secretary
M. No. A26620

Place: Delhi
Date: May 25, 2023

STATEMENT OF PROFIT AND LOSS

XCHANGING SOLUTIONS LIMITED

Statement of Profit and Loss for the year ended March 31, 2023

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

	Note	For the year	For the year
		ended	ended
		March 31, 2023	March 31, 2022
Revenue from operations	22	3,811	4,385
Other income	23	939	833
Total Income		4,750	5,218
Expenses			
Employee benefits expense	24	1,960	2,037
Finance costs	25	10	16
Depreciation and amortisation expense	26	60	89
Other expenses	27	841	795
Total expenses		2,871	2,937
Profit before tax		1,879	2,281
Tax expense/ (benefit)			
Current tax	28	433	728
Current tax- for the earlier years	28	(326)	(742)
Deferred tax	28	303	76
Total tax expense		410	62
Profit for the period		1,469	2,219
Other comprehensive income/ (expense)			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		(27)	(27)
(ii) Income tax relating to items that will not be reclassified to profit or loss		7	7
Total other comprehensive income/ (expense)		(20)	(20)
Total Comprehensive Income for the period		1,449	2,199
Earnings per Equity Share (of Rs.10 each)	30		
Basic- In Rs.		1.32	1.99
Diluted- In Rs.		1.32	1.99

See accompanying notes to the financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No. 117366W/W-100018

Gurvinder Singh

Partner

Membership No. 110128

Place: Bengaluru

Date: May 25, 2023

For and on behalf of the Board of Directors

Nachiket Vibhakar Sukhtankar

Managing Director and

Chief Executive Officer

DIN: 08778377

Place: Mumbai

Date: May 25, 2023

Shrenik Kumar Champalal

Whole Time Director and

Chief Financial Officer

DIN: 08099410

Place: Bengaluru

Date: May 25, 2023

Mayank Jain

Company Secretary

M. No. A26620

Place: Delhi

Date: May 25, 2023

XCHANGING SOLUTIONS LIMITED
Statement of changes in equity for the year ended March 31, 2023

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

a EQUITY SHARE CAPITAL

Balance at April 1, 2021	11,140
Changes in equity share capital during the year	-
Balance at March 31, 2022	11,140
Changes in equity share capital during the year	-
Balance at March 31, 2023	11,140

b OTHER EQUITY

Particulars	Reserves & Surplus			Total other equity
	Capital reserve	Security premium	Retained earnings*	
Balance as of April 1, 2021	57	8,417	4,920	13,394
Profit for the year	-	-	2,219	2,219
Other comprehensive income for the year, net of tax (remeasurement of defined benefit plans)	-	-	(20)	(20)
Balance as of March 31, 2022	57	8,417	7,119	15,593

Particulars	Reserves & Surplus			Total other equity
	Capital reserve	Security premium	Retained earnings*	
Balance as of April 1, 2022	57	8,417	7,119	15,593
Profit for the year	-	-	1,469	1,469
Other comprehensive income for the year, net of tax (remeasurement of defined benefit plans)	-	-	(20)	(20)
Balance as of March 31, 2023	57	8,417	8,568	17,042

*Includes transfer of General Reserve in the YE 2011 to the extent of Rs. 5,612 created mainly on account of Debenture redemption reserve, revaluation of investments and adjustment on merger scheme in YE 2008/2009.

See accompanying notes to the financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

Gurvinder Singh
Partner
Membership No. 110128

Nachiket Vibhakar Sukhtankar
Managing Director and
Chief Executive Officer
DIN: 08778377

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

Place: Bengaluru
Date: May 25, 2023

Place: Mumbai
Date: May 25, 2023

Place: Bengaluru
Date: May 25, 2023

Mayank Jain
Company Secretary
M. No. A26620
Place: Delhi
Date: May 25, 2023

CASH FLOW STATEMENT

XCHANGING SOLUTIONS LIMITED Statement of Cash Flows for the year ended March 31, 2023

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

	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,879	2,281
Adjustments for:		
Depreciation and amortisation expense	19	29
Depreciation of right-of-use assets	41	60
Profit on sale of property, plant and equipment	(2)	-
Foreign exchange loss - unrealised	-	(141)
Interest income	(905)	(692)
Provision for doubtful advances	2	1
Liabilities no longer required written back	-	(11)
Other provisions no longer required written back	(10)	(97)
Interest expense	10	16
	1,034	1,446
Operating profit before working capital changes		
Adjustments for changes in working capital:		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables	158	129
Other current assets	32	(6)
Loans & other financial assets and other assets	32	74
 <i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(18)	(63)
Other financial liabilities and other liabilities	(23)	92
Provisions	(22)	15
	1,193	1,687
Cash generated from operations		
Taxes paid (net of refunds)	(239)	(545)
	954	1,142
Net cash generated from operating activities (A)		
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(8)
Proceeds from sale of property, plant and equipment	2	-
Deposits with banks with maturity period more than 3 months but less than 12 months	10	(1)
Receipt of lease receivables	-	39
Interest received	851	693
	863	723
Net cash generated from investing activities (B)		

Cash Flow Statement

Statement of Cash Flows for the year ended March 31, 2023

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

	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(48)	(107)
Net cash used in financing activities (C)	(48)	(107)
Net increase in cash and cash equivalents (A + B + C)	1,769	1,758
Cash and cash equivalents at the beginning of the year	20,205	18,447
Cash and cash equivalents at the end of the year	21,974	20,205
Cash on hand	-	-
Balances with banks:		
In current accounts	1,973	308
Funds in transit	-	-
Demand deposits (less than 3 months maturity)	20,001	19,897
Net cash and cash equivalents included in note 13	21,974	20,205
Cash and cash equivalents	21,974	20,205

Notes:

(1) Figures in brackets indicate cash outflow.

See accompanying notes forming part of the financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

Gurvinder Singh
Partner
Membership No. 110128

Nachiket Vibhakar Sukhtankar
Managing Director and
Chief Executive Officer
DIN: 08778377

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

Place: Bengaluru
Date: May 25, 2023

Place: Mumbai
Date: May 25, 2023

Place: Bengaluru
Date: May 25, 2023

Mayank Jain
Company Secretary
M. No. A26620
Place: Delhi
Date: May 25, 2023

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 having CIN: L72200KA2002PLC030072, is an information technology (IT) services provider with operations in India and an international presence established through subsidiaries in USA and Singapore.

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 & relevant amendment rules issued thereafter and guidelines issued by the Securities and Exchange Board of India (SEBI) 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.

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 116, 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

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

- (i) Revenue on time-and-material contracts are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.
- (ii) In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price.

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

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 and recognised at effective interest rate wherever applicable. 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

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

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.

Sublease: In respect of premises let out on sub lease, the Company recognises the lease payments as income on a straight-line basis over the term of the lease.

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

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.

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.

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

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.

The Company has a policy on compensated absences which are accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet 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:

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

<u>Category of assets</u>	<u>Estimated useful life</u>
Computers	4 to 7 years

- (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 (useful life), 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 upto seven 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

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 with indefinite useful life.

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.

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables which are initially measured at transaction price. 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 Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement

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

and recognition of impairment loss on the Financial assets that are initially measured at fair value with subsequent measurement at amortised cost.

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 less provision for diminution 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.

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

2.14.3 Derecognition of financial liabilities

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

2.15 Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks through foreign exchange forward contracts.

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

(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.

2.22 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.

2.25 Government grants

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

2.26 Recent accounting pronouncements

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

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

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

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

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.

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

- 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) Estimation of defined benefit obligation and other employee obligations- Employee benefit obligations are measured using actuarial methods. This requires various assumptions including with respect to salary trends, attrition rate, discounting factor etc. The Company engages third party qualified valuers to perform the actuarial valuation.

Notes forming part of the Financial Statements

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

	As at March 31, 2023	As at March 31, 2022
4 PROPERTY, PLANT AND EQUIPMENT		
(Refer note 2.8 and 2.10)		
(Owned unless specified)		
Carrying amounts of:		
Leasehold Improvements	4	5
Computers	22	37
Office Equipment	2	3
Furniture and Fittings	-	1
	<u>28</u>	<u>46</u>

The changes in the carrying value for the year ended March 31, 2023

Particulars	Leasehold Improvements	Computers	Office Equipments	Furniture and Fittings	Total
Gross carrying value					
Balance as at April 1, 2021	15	899	109	9	1,032
Additions	6	-	2	-	8
Disposals	-	-	(20)	-	(20)
Balance as at March 31, 2022	21	899	91	9	1,020
Additions	-	-	-	-	-
Disposals	-	(141)	(30)	(3)	(174)
Balance as at March 31, 2023	21	758	61	6	846
Accumulated depreciation					
Balance as at April 1, 2021	8	846	106	6	966
Depreciation expense	8	16	2	2	28
Eliminated on disposals of assets	-	-	(20)	-	(20)
Balance as at March 31, 2022	16	862	88	8	974
Depreciation expense	1	15	1	1	18
Eliminated on disposals of assets	-	(141)	(30)	(3)	(174)
Balance as at March 31, 2023	17	736	59	6	818
Carrying value as at March 31, 2023	4	22	2	-	28
Carrying value as at March 31, 2022	5	37	3	1	46

5 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, 2023:

Particulars	Buildings
Balance as at April 1, 2021	107
Additions	198
Deletions	(78)
Depreciation	(60)
Balance as at March 31, 2022	167
Additions	-
Depreciation	(41)
Balance as at March 31, 2023	126

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

Notes forming part of the Financial Statements

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

	As at March 31, 2023	As at March 31, 2022
6 OTHER INTANGIBLE ASSETS		
(Refer note 2.9 and 2.10)		
Carrying amounts of:		
Computer software	1	2
	<u>1</u>	<u>2</u>

Particulars	Computer software	Total
Gross carrying value		
Balance as at April 1, 2021	64	64
Additions	-	-
Disposals	-	-
Balance as at March 31, 2022	64	64
Additions	-	-
Disposals	-	-
Balance as at March 31, 2023	64	64
Accumulated amortisation		
Balance as at April 1, 2021	61	61
Amortisation expense	1	1
Disposals	-	-
Balance as at March 31, 2022	62	62
Amortisation expense	1	1
Disposals	-	-
Balance as at March 31, 2023	63	63
Carrying value as at March 31, 2023	1	1
Carrying value as at March 31, 2022	2	2

	As at March 31, 2023	As at March 31, 2022
7 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 (2022: 2,300,000) ordinary shares of Singapore\$1 each	7	7
Xchanging Solutions (USA) Inc, USA 1,000 (2022: 1,000) common stock of US\$ 9,930 each [Refer note 38]	11,224	11,224
(Less): Provision for diminution in value of investment	(6,045)	(6,045)
	<u>5,186</u>	<u>5,186</u>
Aggregate carrying value of unquoted investments	11,231	11,231
Aggregate amount of impairment in value of investments	(6,045)	(6,045)

Notes forming part of the Financial Statements

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

	As at March 31, 2023	As at March 31, 2022
8 LOANS		
(Refer note 2.13 and 2.16)		
Unsecured, considered good unless otherwise stated		
Non-current		
Loans and advances:		
Subsidiaries [Refer note 38 and note (i) below]:		
- Considered doubtful	17,283	17,283
(Less): Provision for doubtful loans	(17,283)	(17,283)
Fellow subsidiaries [Refer note 33 and note (ii) below]	1,618	718
	1,618	718
Current		
Loans and advances:		
Fellow subsidiaries [Refer note 33 and note (ii) below]	-	900
	-	900

Notes:

- (i) As at March 31, 2023, the loans and advances balance of Rs. 17,283 (2022: 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.
- (ii) As at March 31, 2023, the loans and advances balance of Rs. 1,618 (2022: Rs. 1,618) due from fellow subsidiaries is at 12% interest rate p.a. 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.

Loans to Promoters, Directors, KMP and Related Parties (including interest accrued)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advances in the nature of loans	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Promoter				
- Xchanging Technology Services India Private Limited (Fellow subsidiary)	908	908	5%	5%
Director	-	-	-	-
KMPs	-	-	-	-
Individual Related Parties:				
- Xchanging Solutions (USA) Inc (Subsidiary Company)	17,283	17,283	91%	91%
- Xchanging Builders (India) Private Limited (Fellow subsidiary)	725	725	4%	4%
Total	18,916	18,916	100%	100%

Notes forming part of the Financial Statements

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

	As at March 31, 2023	As at March 31, 2022
9 OTHER FINANCIAL ASSETS		
(Refer note 2.2, 2.13 and 2.16)		
Unsecured considered good unless otherwise stated		
Current		
Expenses recoverable from subsidiaries [Refer note 33]:	-	5
Expenses recoverable from fellow subsidiaries [Refer note 33]	2	-
Security deposits		
- Considered good	-	38
Unbilled revenue		
- Fellow subsidiaries [Refer note 33]	3	7
- Others	35	19
Interest accrued on loans to fellow subsidiaries [Refer note 33]	15	15
Interest accrued on bank deposits	54	-
Other Loans and advances (includes advances to employees and other receivables)		
- Considered good	16	13
- Considered doubtful	2	9
(Less): Provision for doubtful advances	(2)	(9)
	<u>125</u>	<u>97</u>

10 DEFERRED TAX ASSETS (NET)

(Refer note 2.7 and 3.1.(ii))

Details of deferred tax assets and liabilities as at March 31, 2023 comprise of the following:

Particulars	As at April 1, 2022	(Credit)/ Charged to Statement of Profit and Loss	Recognised in Other Comprehen- sive Income	As at March 31, 2023
Deferred Tax Assets				
Depreciation	107	12	-	95
Provision for gratuity	97	6	(7)	98
Provision for compensated absences	39	1	-	38
Provision for other employee benefits	40	(3)	-	43
Provision for doubtful debts	277	277	-	-
Provision for doubtful advances	90	1	-	89
Adjustment for lease	1	(1)	-	2
Others	14	10	-	4
Total (A)	665	303	(7)	369
Deferred Tax Liabilities (B)	-	-	-	-
Deferred Tax Assets (Net) (A)-(B)	665	303	(7)	369

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

As at March 31, 2022

Particulars	As at April 1, 2021	(Credit)/ Charged to Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2022
Deferred Tax Assets				
Depreciation	121	14	-	107
Provision for gratuity	85	(5)	(7)	97
Provision for compensated absences	40	1	-	39
Provision for other employee benefits	32	(8)	-	40
Provision for doubtful debts	317	40	-	277
Provision for doubtful advances	125	35	-	90
Adjustment for lease	6	5	-	1
Others	8	(6)	-	14
Total (A)	734	76	(7)	665
Deferred Tax Liabilities (B)	-	-	-	-
Deferred Tax Assets (Net) (A)-(B)	734	76	(7)	665

	As at March 31, 2023	As at March 31, 2022
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11 OTHER ASSETS

(Refer note 2.23)

Unsecured considered good unless otherwise stated

Non-current

Advances recoverable in kind

- Service tax [Refer note 36]	177	177
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Balances with Government Authorities (Service tax & GST)

- Considered good	154	162
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- Considered doubtful	351	351
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(Less): Provision for doubtful advances	(351)	(351)
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331	339
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Current

Balances with Government Authorities (GST)

15	43
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Prepaid Expenses

55	58
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Other Loans and advances

- Considered good	-	1
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70	102
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12 TRADE RECEIVABLES

(Refer note 2.13, 32 and 33)

(Unsecured)

Considered good	350	508
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Credit impaired	-	1,100
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Less: Allowance for credit impairment	-	(1,100)
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350	508
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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. 286 (2022: Rs. 354)

Notes forming part of the Financial Statements

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

Trade receivables ageing schedule for the year ended as on March 31, 2023

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered Good	307	43	-	-	-	-	350
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	350
Less: Allowance for credit impairment							-
Total Trade Receivable							350

Trade receivables ageing schedule for the year ended as on March 31, 2022

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered Good	409	96	3	-	-	-	508
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	1,100	1,100
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	409	96	3	-	-	1,100	1,608
Less: Allowance for credit impairment							(1,100)
Total Trade Receivable							508

	As at March 31, 2023	As at March 31, 2022
13 CASH AND CASH EQUIVALENTS		
(Refer note 2.17)		
Balances with banks		
In current accounts	1,973	308
In demand deposit accounts (less than 3 months maturity)	20,001	19,897
Cash on hand	-	-
Cash and cash equivalent as per statement of cash flow	<u>21,974</u>	<u>20,205</u>
14 OTHER BANK BALANCES		
Long Term Deposit with maturity more than 3 months but less than 12 months	7	17
	<u>7</u>	<u>17</u>
Fixed Deposits with Banks include:		
Rs. 7 (2022: Rs. 7) which are under lien		

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

	As at March 31, 2023	As at March 31, 2022
15 EQUITY SHARE CAPITAL		
Authorised capital:		
12,50,00,000 (2022: 12,50,00,000) Equity shares of Rs.10 each	12,500	12,500
Issued, subscribed and paid up capital:		
11,14,03,716 (2022: 11,14,03,716) 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, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	11,14,03,716	11,140	11,14,03,716	11,140
Add / (Less): Movement during the year	-	-	-	-
Shares outstanding at the end of the year	11,14,03,716	11,140	11,14,03,716	11,140

b) Terms/ rights attached to equity shares

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

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

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of Shares		Number of Shares	
Xchanging (Mauritius) Limited, the immediate holding company	5,80,02,787		5,80,02,787	
Xchanging Technology Services India Private Limited, subsidiary of Immediate Holding Company	2,13,48,838		2,13,48,838	
	7,93,51,625		7,93,51,625	

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

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of Shares held	Percentage	Number of Shares held	Percentage
Xchanging (Mauritius) Limited	5,80,02,787	52.07	5,80,02,787	52.07
Xchanging Technology Services India Private Limited	2,13,48,838	19.16	2,13,48,838	19.16

e) Details of Shares held by promoters at the end of the year

Promoter name	As at March 31, 2023		
	Number of Shares held	% of total shares	% change during the year
Xchanging (Mauritius) Limited	5,80,02,787	52.07	-
Xchanging Technology Services India Private Limited	2,13,48,838	19.16	-
DXC Technology India Private Limited	42,01,162	3.77	-
Total	8,35,52,787	75.00	-

Notes forming part of the Financial Statements

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

Promoter name	As at March 31, 2022		
	Number of Shares held	% of total shares	% change during the year
Xchanging (Mauritius) Limited	5,80,02,787	52.07	-
Xchanging Technology Services India Private Limited	2,13,48,838	19.16	-
DXC Technology India Private Limited	42,01,162	3.77	-
Total	8,35,52,787	75.00	-

	As at March 31, 2023	As at March 31, 2022
16 OTHER EQUITY		
Capital reserve	57	57
Security premium	8,417	8,417
Retained earnings	8,568	7,119
	<u>17,042</u>	<u>15,593</u>
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	<u>57</u>	<u>57</u>
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	<u>8,417</u>	<u>8,417</u>
Amounts received (on issue of shares) in excess of the par value has been classified as securities premium.		
16.3 Retained earnings		
Balance at the beginning of the year	7,119	4,920
Profit for the year	1,469	2,219
Other comprehensive income arising from remeasurement of defined benefit obligation net of tax	(20)	(20)
Balance at the end of the year	<u>8,568</u>	<u>7,119</u>
Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.		
17 PROVISIONS		
(Refer note 2.6)		
Non-current		
Provision for employee benefits :		
Provision for compensated absences	113	111
Provision for gratuity [Refer note 31]	309	292
	<u>422</u>	<u>403</u>
Current		
Provision for employee benefits :		
Provision for compensated absences	40	43
Provision for gratuity [Refer note 31]	83	94
	<u>123</u>	<u>137</u>

Note: The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Notes forming part of the Financial Statements

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

	As at March 31, 2023	As at March 31, 2022
18 TRADE PAYABLES		
(Refer note 2.14)		
Total outstanding dues of micro enterprises and small enterprises (Refer Note (ii))	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Due to:		
Subsidiaries [Refer note 33]	-	85
Related parties [Refer note 33]	44	68
Others:		
Goods & services	225	153
Employee related payables	183	164
	<u>452</u>	<u>470</u>
	<u>452</u>	<u>470</u>

Notes:

- (i) The credit period ranges from 0 to 90 days. No interest is charged on trade payables up to the due date. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.
- (ii) On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:
 - (a) Principal amount remaining unpaid* - -
 - (b) Interest due thereon remaining unpaid - -
 - (c) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period - -
 - (d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 - -
 - (e) Interest accrued and remaining unpaid - -
 - (f) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises - -

Trade payables ageing schedule for the year ended as on March 31, 2023

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Accruals	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME*	-	-	-	-	-	-	-
(ii) Others	51	387	14	-	-	-	452
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	51	387	14	-	-	-	452

*Amount of Rs 44,631/-under 'Not Due' is below the rounding off norm adopted by the Company i.e. Rs. 1 Lakh hence is not appearing above

Trade payables ageing schedule for the year ended as on March 31, 2022

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Accruals	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	73	303	7	-	2	85	470
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	73	303	7	-	2	85	470

Notes forming part of the Financial Statements

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

	As at March 31, 2023	As at March 31, 2022
19 OTHER FINANCIAL LIABILITIES (Refer note 2.5 and 2.14)		
Other financial liabilities	-	8
	<u>-</u>	<u>8</u>
20 TAX ASSETS AND LIABILITIES (Refer note 2.7 and 3.1.(ii))		
20.1 Non Current Asset (net)		
Income tax asset (refer note (i) below)	2,238	2,352
Less: Provision for tax	179	288
	<u>2,059</u>	<u>2,064</u>
(i) Includes an amount of Rs. 1,771 (2022: 1,775) towards amount paid under protest		
20.2 Current Liabilities (net)		
Provision for tax	7,652	7,443
Less: Income tax asset	4,792	4,445
	<u>2,860</u>	<u>2,998</u>
21 OTHER CURRENT LIABILITIES (Refer note 2.2 and 2.5)		
Income received in advance (Unearned revenue)	42	54
Statutory remittances	29	41
	<u>71</u>	<u>95</u>
	<u>For the year ended March 31, 2023</u>	<u>For the year ended March 31, 2022</u>
22 REVENUE FROM OPERATIONS (Refer note 2.2, 29 and 33)		
Software services	3,811	4,385
	<u>3,811</u>	<u>4,385</u>

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2023 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 March 31, 2023	For the year ended March 31, 2022
T&M and AMC	3,655	4,307
Fixed Price	156	78
Total	<u>3,811</u>	<u>4,385</u>

Notes forming part of the Financial Statements

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

	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
23 OTHER INCOME		
(Refer note 2.3 and 2.5)		
a) <u>Interest Income</u>		
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	711	498
Loans to fellow subsidiaries [Refer note 33]	194	194
	<u>905</u>	<u>692</u>
b) <u>Other non-operating income (net of expenses directly attributable to such income)</u>		
Other provisions no longer required written back	10	97
Liabilities no longer required written back	-	11
Lease rental income	-	4
Others (aggregate of immaterial items)	3	17
	<u>13</u>	<u>129</u>
c) <u>Other gains and losses</u>		
Profit on sale of property, plant and equipment (net)	2	-
Foreign exchange gain (net)	19	12
	<u>21</u>	<u>12</u>
(a+b+c)	<u>939</u>	<u>833</u>
24 EMPLOYEE BENEFITS EXPENSE		
(Refer note 2.6 and 31)		
Salaries and wages including bonus	1,798	1,872
Contribution to provident and other funds [Refer note 31]	88	95
Gratuity expenses [Refer note 31]	56	52
Staff welfare expenses	18	18
	<u>1,960</u>	<u>2,037</u>
25 FINANCE COSTS		
(Refer note 2.4)		
Interest expenses on lease liabilities	10	16
	<u>10</u>	<u>16</u>
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]	18	28
Depreciation of right of use of assets [Refer note 5]	41	60
Amortisation of intangible assets [Refer note 6]	1	1
	<u>60</u>	<u>89</u>

Notes forming part of the Financial Statements

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

	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
27 OTHER EXPENSES		
(Refer note 2.4, 2.5, 2.11, 2.16 and 2.22)		
Project work expenses	293	320
Power and fuel	22	24
Repairs and maintenance:		
Computer equipments	21	38
Others	16	46
Insurance	35	30
Rates and taxes	133	10
Communication	33	41
Travelling and conveyance	10	3
Business promotion	5	3
Training and development	-	1
Expenditure towards Corporate Social Responsibility (CSR) activities [Refer note 37]	48	49
Legal and professional	53	51
Payments to auditors [Refer Note (i) below]	109	110
Provision for doubtful advances	2	1
Directors' sitting fees	31	39
Miscellaneous expenses	30	29
	841	795
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	1	2
Total	109	110
28 INCOME TAXES		
(Refer note 2.7 and 3.1.(ii))		
1. Income tax recognised in profit or loss		
Current tax		
In respect of current year	433	728
In respect of tax adjustments related to earlier years	(326)	(742)
Deferred tax		
In respect of current year	303	76
Total income tax expense /(gain) recognised in the current year	410	62

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

	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
2. The income tax expense for the year can be reconciled to the accounting profit/ (loss) as follows:		
Profit before tax	1,879	2,281
Income tax expense calculated at 25.168% (2022: 25.168%)	473	574
Adjustments in respect of current income tax of previous years	(326)	(742)
Effect of notional income recognised for taxation	196	196
Effect of inadmissible expenses	42	19
Others	25	15
Income tax expense recognised in Profit and Loss	410	62

The income tax rate used for the above reconciliations is current tax 25.168% (2022: 25.168%) and deferred tax 25.168% (2022: 25.168%), 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:

Income tax

Arising on income and expenses recognised in other comprehensive income:

Remeasurement of defined benefit obligation	7	7
Total	7	7

Bifurcation of the income tax recognised in other comprehensive income into:-

Items that will not be reclassified to profit or loss	7	7
Items that may be reclassified to profit or loss	-	-

29 SEGMENT INFORMATION

(Refer note 2.20)

The entire operation of the Company relate only to single operating segment "Software Services". Thus there are no reportable segments which require disclosures under Ind AS 108 "Operating Segments".

Additional information relating to geographical dispersion is as follows:

	Revenue by location of customers	
	March 31, 2023	March 31, 2022
Europe	162	337
USA	2,101	2,587
India	1,181	1,153
Rest of the World	367	308
	3,811	4,385

Revenue from customers with more than 10% of total revenue amounts to Rs. 2,532 (2022: Rs. 3,187)

	Carrying amount of segment assets by location of the assets		Addition to Fixed Assets/Right of use assets	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Europe	26	115	-	-
USA	5,360	6,522	-	-
India	24,411	21,631	-	205
Rest of the World	19	19	-	-
	29,816	28,287	-	205

Notes forming part of the Financial Statements

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

	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
30 EARNINGS PER SHARE		
(Refer note 2.21)		
Basic earnings per share		
Profit for the year after tax	1,469	2,219
Nominal value per share (Rs.)	10	10
Weighted average number of equity shares considered for calculating basic earnings per share – (A)	11,14,03,716	11,14,03,716
Earnings per share – Basic (Rs.)	1.32	1.99
Diluted earnings per share		
Weighted average number of equity shares considered for calculating diluted earnings per share – (B)	11,14,03,716	11,14,03,716
Earnings per share – Diluted (Rs.)	1.32	1.99

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. 88 (2022: Rs. 95) 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, longevity risk and salary risk.

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

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

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

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

	As at	As at
	March 31, 2023	March 31, 2022
(i) Movement in Present Value of the Defined benefit obligation		
Balance at the beginning of the year	386	340
Current Service Cost	36	36
Interest Cost	20	16
Actuarial (Gains) / Losses- Demographic	-	-
Actuarial (Gains) / Losses- Financial	(2)	(6)
Actuarial (Gains) / Losses- Experience	29	33
Benefits paid	(77)	(33)
Present Value of Defined benefit obligation at the end of the year	392	386

Employee benefits Expense

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

	As at March 31, 2023	As at March 31, 2022
(ii) Assets and Liabilities recognised in the Balance Sheet		
Present Value of Defined Benefit Obligation	392	386
Amounts recognised as liability	392	386
Recognised under:		
Non-current provisions [Refer note 17]	309	292
Current provisions [Refer note 17]	83	94
	392	386
	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
(iii) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.		
Current Service Cost	36	36
Interest Cost	20	16
Components of defined benefit costs recognised in profit or loss	56	52
Remeasurement on the net defined benefit liability:		
Actuarial (Gain) / Loss due to Demographic Assumption changes	-	-
Actuarial (Gain) / Loss due to Financial Assumption changes	(2)	(6)
Actuarial (Gain) / Loss due to Experience	29	33
Components of defined benefit costs recognised in other comprehensive income	27	27
Total	83	79
	As at	As at
	March 31, 2023	March 31, 2022
(iv) Actuarial Assumptions		
Discount Rate	7.15%	5.95%
Attrition Rate	20%	20%
Increase in Compensation Cost	6.50%	5.50%
Retirement Age	60 years	60 years
(v) Expected Future Cashflows		
Particulars	March 31, 2023	March 31, 2022
Year 1	83	94
Year 2	80	72
Year 3	59	54
Year 4	61	49
Year 5	40	47
Years 6 to 10	140	118

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.

Employee benefits Expense

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

(vi) Sensitivity analysis

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

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

As at March 31, 2023

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

As at March 31, 2022

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

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

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

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 and total equity of the Company.

The Company is not subject to any externally imposed capital requirements. The Company is fully funded by equity.

32.2 Categories of financial instruments

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Financial assets		
<u>Measured at amortised cost</u>		
(a) Cash and bank balances	21,974	20,205
(b) Bank balances other than above	7	17
(c) Trade receivables	350	508
(d) Other financial assets at amortised cost	1,743	1,715
<u>Measured at cost</u>		
Investments	5,186	5,186
Financial liabilities		
<u>Measured at amortised cost</u>		
Lease liabilities	134	172
Other financial liability at amortised cost	452	478

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.

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

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 as at		Assets as at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
GBP	-	8	-	7
USD	1	-	-	1,248
Total	1	8	-	1,255

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		Impact on total equity as at the end of the reporting period	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
GBP sensitivity				
Increase by 10%	-	-	-	-
Decrease by 10%	-	-	-	-
USD sensitivity				
Increase by 10%	-	125	-	125
Decrease by 10%	-	(125)	-	(125)

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.

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

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

Particulars		Category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
March 31, 2023							
(a) Expected credit loss for loans and other financial assets at amortised cost							
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	Loans at amortised cost	1,618	0%	-	1,618
		High quality assets, negligible credit risk	Other financial assets at amortised cost	71	0%	-	71
		Standard assets, moderate credit risk	Other financial assets at amortised cost	56	4%	2	54
Loss allowance measured at life-time expected credit losses	Financial assets where there is a high probability of default	Low quality assets, very high credit risk	Loans at amortised cost	17,283	100%	17,283	-
(b) For expected credit loss for trade receivables under simplified approach refer note 12							

Notes forming part of the Financial Statements

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

Particulars		Category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
March 31, 2022							
(a) Expected credit loss for loans and other financial assets at amortised cost							
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	Loans at amortised cost	1,618	0%	-	1,618
		High quality assets, negligible credit risk	Other financial assets at amortised cost	20	0%	-	20
		Low quality assets, very high credit risk	Other financial assets at amortised cost	86	10%	9	77
Loss allowance measured at life-time expected credit losses	Financial assets where there is a high probability of default	Low quality assets, very high credit risk	Loans at amortised cost	17,283	100%	17,283	-
(b) For expected credit loss for trade receivables under simplified approach refer note 12							

32.8 Liquidity risk management

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

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, 2023					
Non-interest bearing	-	452	-	-	452
Lease liabilities	6.53%- 6.62%	48	97	3	148
		500	97	3	600
March 31, 2022					
Non-interest bearing	-	478	-	-	478
Lease liabilities	6.53%- 6.62%	48	96	52	196
		526	96	52	674

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

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

- 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, 2023 and March 31, 2022

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2023 and March 31, 2022

Valuation Methodologies

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

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')
	DXC US International Inc.
	Lux 1 Holding Company, Inc.
	DXC Luxembourg International S.a.r.l.
	DXC Lux 5 S.a.r.l.
	DXC Luxembourg Holding S.a.r.l.
	DXC Lux 6 S.a.r.l.
	DXC UK International Holdings Limited
	DXC UK International Services Limited
	DXC UK International Limited
	DXC UK 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') [Upto August 13, 2021]
	Xchanging Solutions (Singapore) Pte Limited, Singapore ('XSSPL, Singapore')
	Xchanging Solutions (USA) Inc, USA ('XSUI, USA')
	Nexplicit Infotech India Private Limited, India ('NI IPL, India') (Wholly owned subsidiary of Xchanging Solutions (USA) Inc)
(iii) Key Managerial Personnel (KMP)	
Whole time Director & Chief Financial Officer	Shrenik Kumar Champalal
Managing Director & Chief Executive Officer	Chandrasekhara Boddaju Rao (till August 8, 2021)
Managing Director & Chief Executive Officer	Nachiket Vibhakar Sukhtankar (from August 13, 2021)
Company Secretary	Aruna Mohandoss (till October 11, 2021)
Company Secretary	Mayank Jain (from November 11, 2021)

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

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

Fellow subsidiaries

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

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

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

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

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

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

DXC Technology Services LLC, USA ('DXC, USA')

CSC CORP-Americas Outsourcing, USA ('Americas Outsourcing, USA')

EntServ Deutschland GmbH, Germany ('EntServ, Germany')

Enterprise Services Nederland B.V., Nederland ('Enterprise Services, Nederland')

Enterprise Services Sverige AB, Sweden ('Enterprise Services, Sweden')

DXC Technology Switzerland GmbH, Switzerland ('DXC, Switzerland')

CSC Computer Sciences Limited, UK ('CSC Computer, UK')

EntServ UK Limited, UK ('EntServ, UK')

Enterprise Services Costa Rica Limitada, Costa Rica ('Enterprise Services, Costa Rica')

DXC Integrated Services Victoria Pty Ltd, Australia ('DXC Integrated Services, Australia')

DXC Australia Pty Ltd, Australia ('DXC, Australia')

DXC Enterprise Australia Pty Ltd, Australia ('DXC Enterprise, Australia')

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

CHEU EntServ Schweiz(EnQ4), Switzerland ('CHEU EntServ, Switzerland')

EntServ Schweiz GmbH, Switzerland ('EntServ, Switzerland')

Fondsdepot Bank GmbH, Germany ('Fondsdepot, Germany')

Enterprise Services Italia Srl, Italy ('Enterprise Services, Italy')

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

DXC Technology Singapore Pte. Ltd, Singapore ('DXC, Singapore')

XCH Systems and Svcs Inc, USA ('XCH Systems, USA')

CSC Covansys Corporation, USA ('CSC Covansys, USA')

CSC Deutschland GmbH, Germany ('CSC, Germany') (effective from current financial year)

DXC Technology Fin Serv SAS, France ('DXC Technology, France') (effective from current financial year)

ENTERPRISE SERVICES FRANCE SAS, France ('ENTERPRISE SERVICES, France') (effective from current financial year)

CSC Corp - FSG US, USA ('CSC Corp, USA') (effective from current financial year)

Notes forming part of the Financial Statements

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

B. Summary of transactions with related parties is as follows:	Holding companies		Subsidiary companies		Fellow subsidiaries		Total	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022

Expenses paid on behalf of the Company:

XUKL, UK	-	-	-	-	4	9	4	9
XTSIPL, India	-	-	-	-	3	8	3	8
DXC, India	-	-	-	-	1	-	1	-
EIT, India	-	-	-	-	37	70	37	70
Total	-	-	-	-	45	87	45	87

Expenses paid on behalf of the related party:

XTSIPL, India	-	-	-	-	-	51	-	51
CSC, USA	2	-	-	-	-	-	2	-
Total	2	-	-	-	-	51	2	51

Interest income on loans:

XTSIPL, India	-	-	-	-	108	108	108	108
XBPL, India	-	-	-	-	86	86	86	86
Total	-	-	-	-	194	194	194	194

Revenue:

XSUI, USA	-	-	1,501	2,024	-	-	1,501	2,024
XTSIPL, India	-	-	-	-	207	106	207	106
DXC, India	-	-	-	-	494	650	494	650
EIT, India	-	-	-	-	20	31	20	31
CSC Consulting, USA	-	-	-	-	1	18	1	18
DXC, USA	-	-	-	-	537	513	537	513
Americas Outsourcing, USA	-	-	-	-	8	6	8	6
EntServ, Germany	-	-	-	-	62	32	62	32
Enterprise Services, Nederland	-	-	-	-	12	38	12	38
Enterprise Services, Sweden	-	-	-	-	19	20	19	20
XSSPL, Singapore	-	-	87	83	-	-	87	83
DXC, Switzerland	-	-	-	-	71	191	71	191
CSC Computer, UK	-	-	-	-	53	101	53	101
EntServ, UK	-	-	-	-	20	24	20	24
CSC, USA	-	1	-	-	-	-	-	1
XUKL, UK	-	-	-	-	18	20	18	20
DXC Integrated Services, Australia	-	-	-	-	4	4	4	4
DXC, Australia	-	-	-	-	17	13	17	13
DXC Enterprise, Australia	-	-	-	-	25	23	25	23
ESIT, Canada	-	-	-	-	4	3	4	3
CHEU EntServ, Switzerland	-	-	-	-	2	6	2	6
EntServ, Switzerland	-	-	-	-	-	1	-	1
Fondsdepot, Germany	-	-	-	-	99	76	99	76

Notes forming part of the Financial Statements

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

Enterprise Services, Italy	-	-	-	-	26	3	26	3
DXC Enterprise Services, New Zealand	-	-	-	-	-	4	-	4
DXC, Singapore	-	-	-	-	1	1	1	1
XCH Systems, USA	-	-	-	-	-	18	-	18
CSC Covansys, USA	-	-	-	-	19	6	19	6
CSC, Germany	-	-	-	-	6	-	6	-
ENTERPRISE SERVICES, France	-	-	-	-	3	-	3	-
DXC Technology, France	-	-	-	-	1	-	1	-
CSC Corp, USA	-	-	-	-	34	-	34	-
Total	-	1	1,588	2,107	1,763	1,908	3,351	4,016

Purchase of services

XTSIPL, India	-	-	-	-	175	159	175	159
DXC, India	-	-	-	-	49	106	49	106
Enterprise Services, Costa Rica	-	-	-	-	-	1	-	1
EIT, India	-	-	-	-	64	54	64	54
DXC, USA	-	-	-	-	5	-	5	-
Total	-	-	-	-	293	320	293	320

Other Income:

XTSIPL, India	-	-	-	-	2	4	2	4
Total	-	-	-	-	2	4	2	4

Note:

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

C. Summary of balances of related parties is as follows:	Holding companies		Subsidiary companies		Fellow subsidiaries		Total	
	As at	As at	As at	As at	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022

Trade Receivables:

XSUI, USA	-	-	128	181	-	-	128	181
DXC, India	-	-	-	-	62	50	62	50
EIT, India	-	-	-	-	-	4	-	4
CSC Consulting, USA	-	-	-	-	-	2	-	2
DXC, USA	-	-	-	-	46	55	46	55
XTSIPL, India	-	-	-	-	34	19	34	19
Enterprise Services, Nederland	-	-	-	-	1	3	1	3
Enterprise Services, Sweden	-	-	-	-	2	2	2	2
XSSPL, Singapore	-	-	8	8	-	-	8	8
DXC, Switzerland	-	-	-	-	7	18	7	18
CSC Computer, UK	-	-	-	-	5	11	5	11
EntServ, Germany	-	-	-	-	2	7	2	7
XUKL, UK	-	-	-	-	2	2	2	2
Americas Outsourcing, USA	-	-	-	-	1	1	1	1
DXC Integrated Services, Australia	-	-	-	-	-	1	-	1

Notes forming part of the Financial Statements

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

DXC, Australia	-	-	-	-	1	1	1	1
DXC Enterprise, Australia	-	-	-	-	2	2	2	2
CHEU EntServ, Switzerland	-	-	-	-	1	1	1	1
Fondsdepot, Germany	-	-	-	-	-	76	-	76
Enterprise Services, Italy	-	-	-	-	-	1	-	1
XCH Systems, USA	-	-	-	-	-	1	-	1
CSC Covansys, USA	-	-	-	-	2	3	2	3
ESIT, Canada	-	-	-	-	1	-	1	-
CSC, Germany	-	-	-	-	2	-	2	-
ENTERPRISE SERVICES, France	-	-	-	-	2	-	2	-
CSC Corp, USA	-	-	-	-	4	-	4	-
EntServ, UK	-	-	-	-	2	2	2	2
Total	-	-	136	189	179	262	315	451

Trade Payables:

NIPL, India	-	-	-	85	-	-	-	85
XUKL, UK	-	-	-	-	-	8	-	8
XTSIPL, India	-	-	-	-	25	36	25	36
DXC, India	-	-	-	-	2	11	2	11
DXC, USA	-	-	-	-	1	-	1	-
EIT, India	-	-	-	-	16	13	16	13
Total	-	-	-	85	44	68	44	153

Expenses Recoverable:

NIPL, India	-	-	-	5	-	-	-	5
XTSIPL, India	-	-	-	-	2	-	2	-
Total	-	-	-	5	2	-	2	5

Loans and Advances (including interest accrued):

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

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	
	March 31, 2023	March 31, 2022
Salaries, bonus, etc.	80	73
Total	80	73

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.

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

34 LEASES

(Refer note 2.4)

The Company has operating lease arrangements for its office premises. The lease arrangements for premises have been entered up to a maximum of five years from the respective dates of inception. Some of these lease arrangements have price escalation clauses.

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, 2023

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Current lease liabilities	40	38
Non-current lease liabilities	94	134
Total	134	172

B. Movement in Lease liabilities :

The following is the movement in lease liabilities during the year ended March 31, 2023

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Balance as at the beginning of the year	172	265
Additions	-	198
Deletions	-	(200)
Finance costs accrued during the period	10	16
Payment of Lease liabilities	(48)	(107)
Balance as at the end of the year	134	172

C. The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Less than one year	48	48
One to five years	100	148
More than five years	-	-
Total	148	196

D. Amounts recognized in profit or loss:

Particulars	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
Interest on lease liabilities	10	16
Expenses relating to short- term leases	-	-
Depreciation of right of use of assets	41	60

E. Amounts recognized in statement of cash flows

Particulars	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
Total cash outflows for leases	48	107

Notes forming part of the Financial Statements

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

35 CAPITAL AND OTHER COMMITMENTS

	As at March 31, 2023	As at March 31, 2022
--	-------------------------	-------------------------

(a) Capital Commitments

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

(b) Other Commitments

(i) As at March 31, 2023, Xchanging Solutions (USA) Inc, USA, Company's wholly owned subsidiary, has negative net assets amounting to Rs. 10,463 (2022: Rs. 12,215). While the subsidiary is confident of generating funds from their operations, the Company intends to support the shortfall, if any.

36 CONTINGENT LIABILITIES

(Refer note 2.11)

(i) Claims against the Company not acknowledged as debts:

Income tax matters [Note (a)]	3,030	2,763
Service tax matters [Note (b)]	4,718	4,718
	7,748	7,481

Notes:

- Represents various income tax demands under appeal.
- The Company had received a Show Cause Notice ("SCN") from the Commissioner of Service Tax, Bangalore in October 2012 proposing a demand of service tax of Rs. 23.59 crs. on import of certain services made by company during the FYs 2007-08 to 2011-12. In March 2013, a suitable reply to above SCN was filed by company stating the legal grounds in defence of the matter. In November 2020, the adjudicating authority i.e. the Principal Commissioner of Service Tax, Noida passed the Order In Original ('OIO') confirming the demand of service tax proposed in the SCN along with penalty of Rs. 23.59 crs and applicable interest. The company has filed an appeal before CESTAT in Allahabad against above OIO in April, 2021 after paying a pre-deposit amount of Rs. 1.77 crs. Also refer note 11.
- The above contingent liabilities are possible obligation or present obligation that may (but probably will not) require an outflow of resources.
- 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.
- The Company does not expect any reimbursements in respect of the above contingent liabilities.

37 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The funds were primarily utilised through the year on the activities which are specified in Schedule VII of the Companies Act, 2013:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent by the Company during the year	47.6	48.6
Amount of expenditure incurred	47.6	48.6
Shortfall at the end of the year	Nil	Nil
Total of previous years shortfall	Nil	Nil
Reason for shortfall	Not Applicable	Not Applicable
Nature of CSR activities		
- Education for blind children	46.3	-
- Education for underprivileged children	-	48.6
- Administration Expenses	1.3	-
Details of related party transactions (Refer note (i) below)	1.3	Nil
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	Nil	Nil

Notes:

- This is administration cost claimed for CSR purpose

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

38 The Company has strategic gross investment amounting to Rs. 11,224 (2022: Rs. 11,224) in Xchanging Solutions (USA) Inc, USA (“XSUI”), its wholly owned subsidiary. Based on assessment of value in use from continuing operations, the Company has made a provision of Rs. 6,045 (2022: 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 (2022: 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. 128 (2022: Rs. 181), based on the evaluation of recoverability, the net receivables is considered good and recoverable.

39 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.

40 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, 2023	Maximum balance outstanding during the year
<u>Promoter</u>			
- Xchanging Technology Services India Private Limited	Fellow subsidiary	908 (908)	909 (909)
<u>Individual Related Parties:</u>			
- Xchanging Builders (India) Private Limited	Fellow subsidiary	725 (725)	725 (725)
- Xchanging Solutions (USA) Inc	Subsidiary	17,283 (17,283)	17,283 (17,283)

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

41 As per the MCA notification dated August 5, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain daily back-up of the books of account and other relevant books and papers on servers physically located in India on a daily basis. The books of account along with other relevant records and papers of the Company are maintained in electronic mode. These are readily accessible in India at all times and currently a backup is maintained on a daily basis on servers physically located in India.

42 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period.

43 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 25, 2023.

44 OTHER STATUTORY DISCLOSURES

- 44.1 As per section 248 of the Companies Act, 2013, there are no balances outstanding with struck off companies.
- 44.2 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party

Notes forming part of the Financial Statements

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

identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding, whether recorded in writing or otherwise, that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

44.3 Ratios

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Particulars	March 31, 2023	March 31, 2022	Variance	Basis of determination
Current ratio	6.35	5.83	9%	Current Assets / Current Liabilities
Debt-equity ratio	0.00	0.01	-26%	Total borrowings including lease liabilities / Shareholders' equity
Debt service coverage ratio	13.53	12.69	7%	EBITDA / (Total Borrowings including lease liabilities + Interest expense)
Return on equity ratio	0.05	0.09	-40%	Profit after tax / Average Shareholders' equity
Inventory turnover ratio	NA	NA	-	Product Revenue / Inventory
Trade receivable turnover ratio	10.89	8.63	26%	Total Revenue / Trade Receivables
Trade payable turnover ratio	6.20	6.03	3%	Total expenses excluding depreciation and finance cost/Trade payables
Net capital turnover ratio	0.20	0.24	-17%	Total Revenue / (Current assets – current liabilities excluding borrowings & lease liability)
Net profit ratio	0.39	0.51	-24%	Profit after tax / Total Revenue
Return on capital employed	0.07	0.08	-22%	Earnings before interest and tax/(Total assets - current liabilities excluding borrowings & lease liability)
Return on investment	0.07	0.09	-22%	Earnings before interest and tax / (Total Borrowings including lease liabilities + Shareholders' Equity)

Reason for variation beyond 25%

Debt-equity ratio	Mainly due to reduction in lease liability and increase in shareholders equity on account of total Comprehensive Income for the period
Return on equity ratio	Mainly due to lower profit for the period and increase in average Shareholders' equity
Trade receivable turnover ratio	Change in ratio is due to movement in net debtors and turnover balances in the current year

45 PREVIOUS YEAR FIGURES

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Gurvinder Singh
Partner
Membership No. 110128

Place: Bengaluru
Date: May 25, 2023

For and on behalf of the Board of Directors

Nachiket Vibhakar Sukhtankar
Managing Director and
Chief Executive Officer
DIN: 08778377

Place: Mumbai
Date: May 25, 2023

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

Place: Bengaluru
Date: May 25, 2023

Mayank Jain
Company Secretary
M. No. A26620

Place: Delhi
Date: May 25, 2023

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, 2023, 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, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Evaluation of uncertain tax positions</p> <p>The Group has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 3.1 (ii) and Note 36 to the Consolidated financial statements.</p>	<p>Principal Audit Procedures performed:</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls relating to:</p> <p>(1) identification, evaluation, recognition of provisions, and disclosure of material uncertain tax positions including matters under dispute by considering the assumptions and information used by management in performing this assessment;</p> <p>(2) completeness and accuracy of the underlying data/information used in the assessment.</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2023 from management. With the assistance of our internal experts, we challenged the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2022 to evaluate whether any change was required to management's position on these uncertainties.</p>

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis Report and

Independent Auditor's Report

Corporate Governance Report including annexures thereon, but does not include the consolidated financial statements, standalone 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, and 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.

Responsibilities of Management and Those Charged with Governance 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 Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to 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 Company has adequate internal financial controls in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities 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 Company 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 Matters

- (a) We did not audit the financial information of one subsidiary, whose financial information reflect total assets of Rs. 73 Lakhs as at March 31, 2023, total revenues of Rs. Nil and net cash inflows amounting to Rs. 61 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 this subsidiary, 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 matters 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 subsidiary referred to in the Other Matters 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. Also refer note 41 to the consolidated financial statements.
 - 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 Company as on March, 31, 2023 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, 2023 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 with reference to consolidated financial statements 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 company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements.
 - 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 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:

Independent Auditor's Report

- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 36 to the consolidated financial statements.
 - 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 Company.
 - iv) (a) The Management of the Parent Company, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the note 44.2 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The Management of the Parent Company, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the note 44.2 to the consolidated financial statements, no funds have been received by the Parent Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us on the Parent Company whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO report issued by us for the Parent Company to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO report of the said company included in the consolidated financial statements.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

Gurvinder Singh
(Partner)
(Membership No. 110128)
(UDIN 23110128BGRDFC5712)

Place: Bengaluru
Date: May 25, 2023

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 with reference to consolidated financial statements 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 financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Xchanging Solutions Limited (hereinafter referred as "the Parent") as of that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the

Independent Auditor's Report

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 with reference to consolidated financial statements 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 with reference to consolidated financial statements. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements 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 Company's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial statements established by 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)

Gurvinder Singh
(Partner)
(Membership No. 110128)
(UDIN 23110128BGRDFC5712)

Place: Bengaluru
Date: May 25, 2023

CONSOLIDATED BALANCE SHEET

XCHANGING SOLUTIONS LIMITED Consolidated Balance Sheet as at March 31, 2023

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

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	28	46
Right of use assets	5	126	167
Other intangible assets	6	1	2
Goodwill	7	15,841	15,841
Financial assets			
Loans	8	1,618	718
Deferred tax assets (net)	10	-	187
Income tax assets (net)	20.1	2,084	2,088
Other non-current assets	11	331	339
Total non-current assets		20,029	19,388
Current assets			
Financial assets			
Trade receivables	12	754	1,478
Cash and cash equivalents	13	51,486	43,975
Bank balances other than above	14	7	41
Loans	8	-	900
Other financial assets	9	1,959	1,734
Other current assets	11	81	116
Total current assets		54,287	48,244
Total assets		74,316	67,632
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	11,140	11,140
Other equity	16	56,482	50,205
Total equity		67,622	61,345
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	34	94	134
Deferred tax liabilities (net)	10	717	-
Provisions	17	422	403
Total non-current liabilities		1,233	537

Consolidated Balance sheet

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

	Note	As at March 31, 2023	As at March 31, 2022
Current liabilities			
Financial liabilities			
Lease liabilities	34	40	38
Trade payables			
- Dues of micro enterprises and small enterprises	18	1	-
- Dues of creditors other than micro enterprises and small enterprises	18	1,545	1,614
Other financial liabilities	19	-	8
Provisions	17	157	169
Current tax liabilities (net)	20.2	3,593	3,671
Other current liabilities	21	125	250
Total current liabilities		5,461	5,750
Total liabilities		6,694	6,287
Total equity and liabilities		74,316	67,632

See accompanying notes to the consolidated financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Gurvinder Singh
Partner
Membership No. 110128

Place: Bengaluru
Date: May 25, 2023

For and on behalf of the Board of Directors

Nachiket Vibhakar Sukhtankar
Managing Director and
Chief Executive Officer
DIN: 08778377

Place: Mumbai
Date: May 25, 2023

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

Place: Bengaluru
Date: May 25, 2023

Mayank Jain
Company Secretary
M. No. A26620

Place: Delhi
Date: May 25, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

XCHANGING SOLUTIONS LIMITED

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

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

	Note	For the year ended	For the year ended
		March 31, 2023	March 31, 2022
Revenue from operations	22	17,442	17,427
Other income	23	1,070	857
Total Income		18,512	18,284
Expenses			
Employee benefits expense	24	6,311	6,209
Finance costs	25	10	16
Depreciation and amortisation expense	26	61	91
Other expenses	27	6,170	5,881
Total expenses		12,552	12,197
Profit before tax		5,960	6,087
Tax expense/ (benefit)			
Current tax	28	1,493	1,452
Current tax- for the earlier years	28	(326)	(698)
Deferred tax	28	303	76
Total tax expense		1,470	830
Profit for the period		4,490	5,257
Other comprehensive income/ (expense)			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		(27)	(27)
(ii) Income tax relating to items that will not be reclassified to profit or loss		7	7
(B) (i) Items that may be reclassified to profit or loss			
- Exchange differences in translating the financial statements of foreign operations		2,415	721
(ii) Income tax relating to items that may be reclassified to profit or loss		(608)	(182)
Total other comprehensive income/ (expense)		1,787	519
Total Comprehensive Income for the period		6,277	5,776
Earnings per Equity Share (of Rs.10 each)	30		
Basic- In Rs.		4.03	4.72
Diluted- In Rs.		4.03	4.72

See accompanying notes to the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

Gurvinder Singh
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Shrenik Kumar Champalal
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Date: May 25, 2023

Mayank Jain
Company Secretary
M. No. A26620
Place: Delhi
Date: May 25, 2023

XCHANGING SOLUTIONS LIMITED

Consolidated Statement of changes in equity for the year ended March 31, 2023

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

a EQUITY SHARE CAPITAL

Balance at April 1, 2021	11,140
Changes in equity share capital during the year	-
Balance at March 31, 2022	11,140
Changes in equity share capital during the year	-
Balance at March 31, 2023	11,140

b OTHER EQUITY

Particulars	Reserves & Surplus			Items of other comprehensive income	Total other equity
	Capital reserve	Security premium	Retained earnings*	Foreign currency translation reserve	
Balance as of April 1, 2021	361	8,417	34,809	842	44,429
Profit for the year	-	-	5,257	-	5,257
Other comprehensive income for the year, net of tax (remeasurement of defined benefit plans)	-	-	(20)	539	519
Balance as of March 31, 2022	361	8,417	40,046	1,381	50,205

Particulars	Reserves & Surplus			Items of other comprehensive income	Total other equity
	Capital reserve	Security premium	Retained earnings*	Foreign currency translation reserve	
Balance as of April 1, 2022	361	8,417	40,046	1,381	50,205
Profit for the year	-	-	4,490	-	4,490
Other comprehensive income for the year, net of tax (remeasurement of defined benefit plans)	-	-	(20)	1,807	1,787
Balance as of March 31, 2023	361	8,417	44,516	3,188	56,482

*Includes transfer of General Reserve in the YE 2011 to the extent of Rs. 5,612 created mainly on account of Debenture redemption reserve, revaluation of investments and adjustment on merger scheme in YE 2008/2009.

See accompanying notes to the consolidated financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No. 117366W/W-100018

Gurvinder Singh

Partner

Membership No. 110128

Place: Bengaluru

Date: May 25, 2023

For and on behalf of the Board of Directors

Nachiket Vibhakar Sukhtankar

Managing Director and
Chief Executive Officer

DIN: 08778377

Place: Mumbai

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Whole Time Director and
Chief Financial Officer

DIN: 08099410

Place: Bengaluru

Date: May 25, 2023

Mayank Jain

Company Secretary

M. No. A26620

Place: Delhi

Date: May 25, 2023

CONSOLIDATED CASH FLOW STATEMENT

XCHANGING SOLUTIONS LIMITED

Consolidated Statement of Cash Flows for the year ended March 31, 2023

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

	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	5,960	6,087
Adjustments for:		
Depreciation and amortisation expense	20	31
Depreciation of right-of-use assets	41	60
Profit on sale of property, plant and equipment	(2)	-
Foreign exchange loss - unrealised	(2)	(138)
Interest income	(984)	(692)
Provision for doubtful advances	2	1
Liabilities no longer required written back	(30)	(11)
Other provisions no longer required written back	(10)	(97)
Interest expense	10	16
Exchange difference on foreign currency translation	-	29
Operating profit before working capital changes	5,005	5,286
Adjustments for changes in working capital:		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables	792	(378)
Other current assets	165	53
Loans & other financial assets and other assets	(78)	162
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(172)	(730)
Other financial liabilities and other liabilities	(104)	75
Provisions	(23)	(4)
Cash generated from operations	5,585	4,464
Taxes paid (net of refunds)	(1,382)	(967)
Net cash generated from operating activities (A)	4,203	3,497
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(9)
Proceeds from sale of property, plant and equipment	2	-
Deposits with banks with maturity period more than 3 months but less than 12 months	34	64
Receipt of lease receivables	-	39
Interest received	930	693
Net cash generated from investing activities (B)	966	787

Consolidated Cash Flow Statement

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

	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(48)	(107)
Net cash used in financing activities (C)	(48)	(107)
Net increase in cash and cash equivalents (A + B + C)	5,121	4,177
Cash and cash equivalents at the beginning of the year	43,975	39,114
Effect of exchange differences on balances with banks in foreign currency	2,390	684
Cash and cash equivalents at the end of the year	51,486	43,975
Cash on hand	-	-
Balances with banks:		
In current accounts	31,485	24,061
Funds in transit	-	17
Demand deposits (less than 3 months maturity)	20,001	19,897
Net cash and cash equivalents included in note 13	51,486	43,975
Cash and cash equivalents	51,486	43,975

Notes:

(1) Figures in brackets indicate cash outflow.

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

Gurvinder Singh
Partner
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Nachiket Vibhakar Sukhtankar
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Mayank Jain
Company Secretary
M. No. A26620
Place: Delhi
Date: May 25, 2023

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 having CIN: L72200KA2002PLC030072, is an information technology (IT) services provider with operations in India and an international presence established through subsidiaries in USA and Singapore.

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 & relevant amendment rules issued thereafter and guidelines issued by the Securities and Exchange Board of India (SEBI) 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.

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 116, 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, 2023. 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. 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.

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.

Notes forming part of the Consolidated Financial Statements

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

(B) Subsidiaries considered in the consolidated financial statements are given below:

Name of the subsidiary	Country of incorporation	Ownership Interest	
		2023	2022
Direct subsidiaries:			
Xchanging Solutions (Singapore) Pte Limited	Singapore	100%	100%
Xchanging Solutions (Europe) Limited [Liquidated on August 13, 2021]	United Kingdom	-	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%

2.3 Goodwill arising on consolidation

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. 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. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation.

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

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

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 and recognised at effective interest rate wherever applicable. 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.

Sublease: In respect of premises let out on sub lease, the Group recognises the lease payments as income on a straight-line basis over the term of the lease.

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

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 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
- 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.

Notes forming part of the Consolidated Financial Statements

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

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.

The Group has a policy on compensated absences which are accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet 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, anticipated technological changes etc:

Notes forming part of the Consolidated Financial Statements

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

<u>Category of assets</u>	<u>Estimated useful life</u>
Computers	4 to 7 years

- (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 (useful life), 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) Computer software is amortised over an estimated useful life of upto seven years.
- (ii) 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

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 with indefinite useful life.

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

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

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

2.13 Provisions and contingent liabilities

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

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

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

2.14 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables which are initially measured at transaction price. 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 2.15.3

All other financial assets are subsequently measured at fair value.

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

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

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

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

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

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.

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

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

Allowance for Trade receivables

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

2.15.4 Derecognition of financial assets

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

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

2.15.5 Foreign exchange gains and losses

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

2.16 Financial liabilities

Classification as debt

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

Financial liabilities

2.16.1 Financial liabilities subsequently measured at amortised cost

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

2.16.2 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the

Notes forming part of the Consolidated Financial Statements

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

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.

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 Group'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 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

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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.

2.25 Government grants

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

2.26 Recent accounting pronouncements

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

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

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

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

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

Notes forming part of the Consolidated Financial Statements

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

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) Estimation of defined benefit obligation and other employee obligations- Employee benefit obligations are measured using actuarial methods. This requires various assumptions including with respect to salary trends, attrition rate, discounting factor etc. The Group engages third party qualified valuers to perform the actuarial valuation.

Notes forming part of the Consolidated Financial Statements

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

	As at March 31, 2023	As at March 31, 2022
4 PROPERTY, PLANT AND EQUIPMENT		
(Refer note 2.10 and 2.12)		
(Owned unless specified)		
Carrying amounts of:		
Leasehold Improvements	4	5
Computers	22	37
Office Equipment	2	3
Furniture and Fittings	-	1
	28	46

The changes in the carrying value for the year ended March 31, 2023

Particulars	Leasehold Improvements	Computers	Office Equipment	Furniture and Fittings	Total
Gross carrying value					
Balance as at April 1, 2021	15	955	108	9	1,087
Additions	6	-	3	-	9
Disposals	-	-	(20)	-	(20)
Translation	-	1	-	-	1
Balance as at March 31, 2022	21	956	91	9	1,077
Additions	-	-	-	-	-
Disposals	-	(202)	(30)	(3)	(235)
Translation	-	6	-	-	6
Balance as at March 31, 2023	21	760	61	6	848
Accumulated depreciation					
Balance as at April 1, 2021	8	901	105	6	1,020
Depreciation expense	8	17	3	2	30
Eliminated on disposals of assets	-	-	(20)	-	(20)
Translation	-	1	-	-	1
Balance as at March 31, 2022	16	919	88	8	1,031
Depreciation expense	1	15	1	1	18
Eliminated on disposals of assets	-	(202)	(30)	(3)	(235)
Translation	-	6	-	-	6
Balance as at March 31, 2023	17	738	59	6	820
Carrying value as at March 31, 2023	4	22	2	-	28
Carrying value as at March 31, 2022	5	37	3	1	46

5 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, 2023:

Particulars	Buildings
Balance as at April 1, 2021	107
Additions	198
Deletions	(78)
Depreciation	(60)
Balance as at March 31, 2022	167
Additions	-
Depreciation	(41)
Balance as at March 31, 2023	126

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

Notes forming part of the Consolidated Financial Statements

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

	As at March 31, 2023	As at March 31, 2022
6 OTHER INTANGIBLE ASSETS		
(Refer note 2.11 and 2.12)		
Carrying amounts of:		
Computer software	1	2
	<u>1</u>	<u>2</u>

Particulars	Computer software	Total
Gross carrying value		
Balance as at April 1, 2021	65	65
Additions	-	-
Disposals	-	-
Translation	-	-
Balance as at March 31, 2022	65	65
Additions	-	-
Disposals	(1)	(1)
Translation	-	-
Balance as at March 31, 2023	64	64
Accumulated amortisation		
Balance as at April 1, 2021	62	62
Amortisation expense	1	1
Disposals	-	-
Translation	-	-
Balance as at March 31, 2022	63	63
Amortisation expense	2	2
Disposals	(1)	(1)
Translation	(1)	(1)
Balance as at March 31, 2023	63	63
Carrying value as at March 31, 2023	1	1
Carrying value as at March 31, 2022	2	2

	As at March 31, 2023	As at March 31, 2022
7 GOODWILL		
(Refer note 2.3 and 3.1.(i))		
Carrying amounts of:		
Cost	15,841	15,841
Accumulated impairment losses	-	-
	<u>15,841</u>	<u>15,841</u>

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

Particulars	As at	As at
	March 31, 2023	March 31, 2022
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

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 16% p.a. (2022: 10% 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. (2022: 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, 2023, 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 4 years 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
	March 31, 2023	March 31, 2022
8 LOANS		
(Refer note 2.15 and 2.18)		
Unsecured, considered good unless otherwise stated		
Non-current		
Loans to fellow subsidiaries [Refer note 33 and note (i) below]	1,618	718
	1,618	718
Current		
Loans to fellow subsidiaries [Refer note 33 and note (i) below]	-	900
	-	900

Note:

- (i) As at March 31, 2023, the loans and advances balance of Rs. 1,618 (2022: Rs. 1,618) due from fellow subsidiaries is at 12% interest rate p.a. 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.

Notes forming part of the Consolidated Financial Statements

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

Loans to Promoters, Directors, KMP and Related Parties (including interest accrued)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advances in the nature of loans	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<u>Promoter</u>				
- Xchanging Technology Services India Private Limited (Fellow subsidiary)	908	908	56%	56%
<u>Director</u>				
-	-	-	-	-
<u>KMPs</u>				
-	-	-	-	-
<u>Individual Related Party:</u>				
- Xchanging Builders (India) Private Limited (Fellow subsidiary)	725	725	44%	44%
Total	1,633	1,633	100%	100%

	As at March 31, 2023	As at March 31, 2022
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9 OTHER FINANCIAL ASSETS

(Refer note 2.4, 2.15 and 2.18)

Unsecured considered good unless otherwise stated

Current

Expenses recoverable from fellow subsidiaries [Refer note 33]	2	-
Security deposits		
- Considered good	12	49
Unbilled revenue		
- Fellow subsidiaries [Refer note 33]	3	7
- Others	1,857	1,648
Interest accrued on loans to fellow subsidiaries [Refer note 33]	15	15
Interest accrued on bank deposits	54	-
Other Loans and advances (includes advances to employees and other receivables)		
- Considered good	16	15
- Considered doubtful	2	9
(Less): Provision for doubtful advances	(2)	(9)
	1,959	1,734

Notes forming part of the Consolidated Financial Statements

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

10 DEFERRED TAX ASSETS (NET)

(Refer note 2.9 and 3.1.(ii))

Details of deferred tax assets and liabilities as at March 31, 2023 comprise of the following:

Particulars	As at April 1, 2022	(Credit)/ Charged to Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2023
Deferred Tax Assets				
Depreciation	107	12	-	95
Provision for gratuity	97	6	(7)	98
Provision for compensated absences	39	1	-	38
Provision for other employee benefits	40	(3)	-	43
Provision for doubtful debts	277	277	-	-
Provision for doubtful advances	90	1	-	89
Adjustment for lease	1	(1)	-	2
Exchange differences in translating the financial statements of foreign operations	63	-	-	63
Others	14	10	-	4
Total (A)	728	303	(7)	432
Deferred Tax Liabilities				
Exchange differences in translating the financial statements of foreign operations	(541)	-	608	(1,149)
Total (B)	(541)	-	608	(1,149)
Deferred Tax Assets/ (Liabilities) (Net) (A)-(B)	187	303	601	(717)

As at March 31, 2022

Particulars	As at April 1, 2021	(Credit)/ Charged to Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2022
Deferred Tax Assets				
Depreciation	121	14	-	107
Provision for gratuity	85	(5)	(7)	97
Provision for compensated absences	40	1	-	39
Provision for other employee benefits	32	(8)	-	40
Provision for doubtful debts	317	40	-	277
Provision for doubtful advances	125	35	-	90
Adjustment for lease	6	5	-	1
Exchange differences in translating the financial statements of foreign operations	63	-	-	63
Others	8	(6)	-	14
Total (A)	797	76	(7)	728
Deferred Tax Liabilities				
Exchange differences in translating the financial statements of foreign operations	(359)	-	182	(541)
Total (B)	(359)	-	182	(541)
Deferred Tax Assets (Net) (A)-(B)	438	76	175	187

10.1 Unrecognised taxable temporary differences associated with investments and interests

Particulars	As at	As at
	March 31, 2023	March 31, 2022
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	1,019	840
Total	1,019	840

Notes forming part of the Consolidated Financial Statements

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

	As at March 31, 2023	As at March 31, 2022
11 OTHER ASSETS		
(Refer note 2.24)		
Unsecured considered good unless otherwise stated		
Non-current		
Advances recoverable in kind		
- Service tax [Refer note 36]	177	177
Balances with Government Authorities (Service tax & GST)		
- Considered good	154	162
- Considered doubtful	351	351
(Less): Provision for doubtful advances	(351)	(351)
	331	339
Current		
Balances with Government Authorities (GST)	15	43
Prepaid Expenses	66	72
Other Loans and advances		
- Considered good	-	1
	81	116

12 TRADE RECEIVABLES

(Refer note 2.15, 32 and 33)

(Unsecured)

Considered good	754	1,478
Credit impaired	-	1,100
Less: Allowance for credit impairment	-	(1,100)
	754	1,478

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 557 (2022: Rs 941)

Trade receivables ageing schedule for the year ended as on March 31, 2023

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-Considered Good	664	90	-	-	-	-	754
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	664	90	-	-	-	-	754
Less: Allowance for credit impairment							-
Total Trade Receivable							754

Notes forming part of the Consolidated Financial Statements

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

Trade receivables ageing schedule for the year ended as on March 31, 2022

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-Considered Good	1,355	120	3	-	-	-	1,478
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	1,100	1,100
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	1,355	120	3	-	-	1,100	2,578
Less: Allowance for credit impairment							(1,100)
Total Trade Receivable							1,478

	As at March 31, 2023	As at March 31, 2022
13 CASH AND CASH EQUIVALENTS		
(Refer note 2.19)		
Balances with banks		
In current accounts	31,485	24,061
Funds in transit	-	17
In demand deposit accounts (less than 3 months maturity)	20,001	19,897
Cash on hand	-	-
Cash and cash equivalent as per consolidated statement of cash flow	<u>51,486</u>	<u>43,975</u>

14 OTHER BANK BALANCES

Long Term Deposit with maturity more than 3 months but less than 12 months	7	41
	<u>7</u>	<u>41</u>

Fixed Deposits with Banks include:
Rs. 7 (2022: Rs. 31) which are under lien

15 EQUITY SHARE CAPITAL

Authorised capital:

12,50,00,000 (2022: 12,50,00,000) Equity shares of Rs.10 each

Issued, subscribed and paid up capital:

11,14,03,716 (2022: 11,14,03,716) Equity shares of Rs.10 each fully paid up

11,140	11,140
<u>11,140</u>	<u>11,140</u>

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, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	11,14,03,716	11,140	11,14,03,716	11,140
Add / (Less): Movement during the year	-	-	-	-
Shares outstanding at the end of the year	11,14,03,716	11,140	11,14,03,716	11,140

Notes forming part of the Consolidated Financial Statements

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

b) Terms/ rights attached to equity shares

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

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

Name of Shareholder	As at March 31, 2023	As at March 31, 2022
	Number of Shares	Number of Shares
Xchanging (Mauritius) Limited, the immediate holding company	5,80,02,787	5,80,02,787
Xchanging Technology Services India Private Limited, subsidiary of Immediate Holding Company	2,13,48,838	2,13,48,838
	7,93,51,625	7,93,51,625

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

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of Shares held	Percentage	Number of Shares held	Percentage
Xchanging (Mauritius) Limited	5,80,02,787	52.07	5,80,02,787	52.07
Xchanging Technology Services India Private Limited	2,13,48,838	19.16	2,13,48,838	19.16

e) Details of Shares held by promoters at the end of the year

Promoter name	As at March 31, 2023		
	Number of Shares held	% of total shares	% change during the year
Xchanging (Mauritius) Limited	5,80,02,787	52.07	-
Xchanging Technology Services India Private Limited	2,13,48,838	19.16	-
DXC Technology India Private Limited	42,01,162	3.77	-
Total	8,35,52,787	75.00	-

Promoter name	As at March 31, 2022		
	Number of Shares held	% of total shares	% change during the year
Xchanging (Mauritius) Limited	5,80,02,787	52.07	-
Xchanging Technology Services India Private Limited	2,13,48,838	19.16	-
DXC Technology India Private Limited	42,01,162	3.77	-
Total	8,35,52,787	75.00	-

16 OTHER EQUITY	As at March 31, 2023	As at March 31, 2022
	Capital reserve	361
Security premium	8,417	8,417
Foreign currency translation reserve	3,188	1,381
Retained earnings	44,516	40,046
	56,482	50,205

Notes forming part of the Consolidated Financial Statements

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

	As at March 31, 2023	As at March 31, 2022
16.1 Capital reserve		
Balance at the beginning of the year	361	361
Add / (Less): Movement during the year	-	-
Balance at the end of the year	<u>361</u>	<u>361</u>

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	<u>8,417</u>	<u>8,417</u>

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	1,381	842
Add: Exchange difference arising on translating the foreign operations net of income tax	1,807	539
Balance at the end of the year	<u>3,188</u>	<u>1,381</u>

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.

16.4 Retained earnings		
Balance at the beginning of the year	40,046	34,809
Profit for the year	4,490	5,257
Other comprehensive income arising from remeasurement of defined benefit obligation net of tax	(20)	(20)
Balance at the end of the year	<u>44,516</u>	<u>40,046</u>

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

17 PROVISIONS

(Refer note 2.8)

Non-current

Provision for employee benefits :

Provision for compensated absences	113	111
Provision for gratuity [Refer note 31]	309	292
	<u>422</u>	<u>403</u>

Current

Provision for employee benefits :

Provision for compensated absences	74	75
Provision for gratuity [Refer note 31]	83	94
	<u>157</u>	<u>169</u>

Note: The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Notes forming part of the Consolidated Financial Statements

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

	As at March 31, 2023	As at March 31, 2022
18 TRADE PAYABLES		
(Refer note 2.16)		
Total outstanding dues of micro enterprises and small enterprises (Refer Note (ii))	1	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Due to Related parties [Refer note 33]	1,010	903
Others:		
Goods & services	351	545
Employee related payables	184	166
	<u>1,545</u>	<u>1,614</u>
	<u>1,546</u>	<u>1,614</u>

Notes:

- (i) The credit period ranges from 0 to 90 days. No interest is charged on trade payables up to the due date. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.
- (ii) On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:
 - (a) Principal amount remaining unpaid 1 -
 - (b) Interest due thereon remaining unpaid - -
 - (c) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period - -
 - (d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 - -
 - (e) Interest accrued and remaining unpaid - -
 - (f) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises - -

Trade payables ageing schedule for the year ended as on March 31, 2023

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Accruals	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1	-	-	-	-	-	1
(ii) Others	824	688	33	-	-	-	1,545
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	825	688	33	-	-	-	1,546

Trade payables ageing schedule for the year ended as on March 31, 2022

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Accruals	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	765	709	138	-	2	-	1,614
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	765	709	138	-	2	-	1,614

Notes forming part of the Consolidated Financial Statements

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

	As at	As at
	March 31, 2023	March 31, 2022
19 OTHER FINANCIAL LIABILITIES		
(Refer note 2.7 and 2.16)		
Other financial liabilities	-	8
	<u>-</u>	<u>8</u>
20 TAX ASSETS AND LIABILITIES		
(Refer note 2.9 and 3.1.(ii))		
20.1 Non Current Asset (net)		
Income tax asset (refer note (i) below)	2,482	2,572
Less: Provision for tax	398	484
	<u>2,084</u>	<u>2,088</u>
(i) Includes an amount of Rs. 1,771 (2022: 1,775) towards amount paid under protest		
20.2 Current Liabilities (net)		
Provision for tax	9,333	8,692
Less: Income tax asset	5,740	5,021
	<u>3,593</u>	<u>3,671</u>
21 OTHER CURRENT LIABILITIES		
(Refer note 2.4 and 2.7)		
Income received in advance (Unearned revenue)	53	120
Statutory remittances	72	130
	<u>125</u>	<u>250</u>
	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
22 REVENUE FROM OPERATIONS		
(Refer note 2.4, 29 and 33)		
Software services	17,442	17,427
	<u>17,442</u>	<u>17,427</u>

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2023 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
	March 31, 2023	March 31, 2022
T&M and AMC	15,873	16,101
Fixed Price	1,569	1,326
Total	17,442	17,427

Notes forming part of the Consolidated Financial Statements

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

	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
23 OTHER INCOME		
(Refer note 2.5 and 2.7)		
a) <u>Interest Income (at amortised cost)</u>		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Bank deposits	790	498
Loans to fellow subsidiaries [Refer note 33]	194	194
	<u>984</u>	<u>692</u>
b) <u>Other non-operating income (net of expenses directly attributable to such income)</u>		
Other provisions no longer required written back	10	97
Liabilities no longer required written back	30	11
Lease rental income	-	4
Others (aggregate of immaterial items)	10	27
	<u>50</u>	<u>139</u>
c) <u>Other gains and losses</u>		
Profit on sale of property, plant and equipment (net)	2	-
Foreign exchange gain (net)	34	26
	<u>36</u>	<u>26</u>
(a+b+c)	<u><u>1,070</u></u>	<u><u>857</u></u>
24 EMPLOYEE BENEFITS EXPENSE		
(Refer note 2.8 and 31)		
Salaries and wages including bonus	5,643	5,562
Contribution to provident and other funds [Refer note 31]	152	169
Gratuity expenses [Refer note 31]	56	52
Staff welfare expenses	460	426
	<u>6,311</u>	<u>6,209</u>
25 FINANCE COSTS		
(Refer note 2.6)		
Interest expenses on lease liabilities	10	16
	<u>10</u>	<u>16</u>
26 DEPRECIATION AND AMORTISATION EXPENSE		
(Refer note 2.6, 2.10, 2.11 and 2.18)		
Depreciation of property, plant and equipment [Refer note 4]	18	30
Depreciation of right of use of assets [Refer note 5]	41	60
Amortisation of intangible assets [Refer note 6]	2	1
	<u>61</u>	<u>91</u>

Notes forming part of the Consolidated Financial Statements

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

	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
27 OTHER EXPENSES		
(Refer note 2.6, 2.7, 2.13, 2.18 and 2.23)		
Project work expenses	5,489	5,289
Power and fuel	22	24
Rental expenses*	6	5
Repairs and maintenance:		
Computer equipments	21	38
Others	16	46
Insurance	54	56
Rates and taxes	133	10
Communication	36	44
Travelling and conveyance	77	14
Business promotion	6	3
Training and development	-	1
Expenditure towards Corporate Social Responsibility (CSR) activities [Refer note 37]	48	49
Legal and professional	61	57
Payments to auditors [Refer Note (i) below]	120	119
Provision for doubtful advances	2	1
Directors' sitting fees	36	44
Release of foreign currency translation reserve	-	29
Miscellaneous expenses	43	52
	6,170	5,881

* 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	69	67
Limited review of quarterly financial results	44	44
Tax audit	6	6
Certifications	1	2
	120	119

28 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	1,493	1,452
In respect of tax adjustments related to earlier years	(326)	(698)

Deferred tax

In respect of current year	303	76
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Total income tax expense /(gain) recognised in the current year	1,470	830
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Notes forming part of the Consolidated Financial Statements

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

	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
2. The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	5,960	6,087
Income tax expense calculated at 25.168% (2022: 25.168%)	1,500	1,532
Adjustments in respect of current income tax of previous years	(326)	(698)
Effect of notional income recognised for taxation	196	196
Effect of inadmissible expenses	42	12
Effect of change in tax rate in foreign subsidiaries	30	(121)
Effect of deferred tax asset not recognized on carry forward losses in foreign subsidiaries	-	(94)
Others	28	3
Income tax expense recognised in Profit and Loss	1,470	830

The income tax rate used for the above reconciliations is current tax 25.168% (2022: 25.168%) and deferred tax 25.168% (2022: 25.168%), 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:

Income tax

Arising on income and expenses recognised in other comprehensive income:

Remeasurement of defined benefit obligation	7	7
Exchange differences in translating the financial statements of foreign operations	-	-
Total	7	7

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	(608)	(182)
Total	(608)	(182)
Total income tax recognised in other comprehensive income	(601)	(175)

Bifurcation of the income tax recognised in other comprehensive income into:-

Items that will not be reclassified to profit or loss	7	7
Items that may be reclassified to profit or loss	(608)	(182)

29 SEGMENT INFORMATION

(Refer note 2.21)

The entire operation of the Group relate only to single operating segment "Software Services". Thus there are no reportable segments which require disclosures under Ind AS 108 "Operating Segments".

Additional information relating to geographical dispersion is as follows:

	Revenue by location of customers	
	March 31, 2023	March 31, 2022
Europe	162	337
USA	13,974	11,012
India	1,181	1,153
Singapore	1,846	4,700
Rest of the World	279	225
	17,442	17,427

Revenue from customers with more than 10% of total revenue amounts to Rs. 10,885 (2022: Rs. 10,430)

Notes forming part of the Consolidated Financial Statements

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

	Carrying amount of segment assets by location of the assets		Addition to Fixed Assets/Right of use assets	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Europe	26	115	-	-
USA	22,479	19,006	-	-
India	24,484	21,644	-	205
Rest of the World	25,243	24,592	-	1
	72,232	65,357	-	206

	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
30 EARNINGS PER SHARE (Refer note 2.22)		
Basic earnings per share		
Profit for the year after tax	4,490	5,257
Nominal value per share (Rs.)	10	10
Weighted average number of equity shares considered for calculating basic earnings per share – (A)	11,14,03,716	11,14,03,716
Earnings per share – Basic (Rs.)	4.03	4.72
Diluted earnings per share		
Weighted average number of equity shares considered for calculating diluted earnings per share – (B)	11,14,03,716	11,14,03,716
Earnings per share – Diluted (Rs.)	4.03	4.72

31 EMPLOYEE BENEFITS EXPENSE

(Refer note 2.8)

(a) Defined Contribution Plans

Provident Fund and Other Funds: During the year, the Group has recognised Rs. 152 (2022: Rs. 169) 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, longevity 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.

Notes forming part of the Consolidated Financial Statements

(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 March 31, 2023	As at March 31, 2022
(i) Movement in Present Value of the Defined benefit obligation		
Balance at the beginning of the year	386	340
Current Service Cost	36	36
Interest Cost	20	16
Actuarial (Gains) / Losses- Demographic	-	-
Actuarial (Gains) / Losses- Financial	(2)	(6)
Actuarial (Gains) / Losses- Experience	29	33
Benefits paid	(77)	(33)
Present Value of Defined benefit obligation at the end of the year	392	386
(ii) Assets and Liabilities recognised in the Balance Sheet		
Present Value of Defined Benefit Obligation	392	386
Amounts recognised as liability	392	386
Recognised under:		
Non-current provisions [Refer note 17]	309	292
Current provisions [Refer note 17]	83	94
	392	386
(iii) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.		
Current Service Cost	36	36
Interest Cost	20	16
Components of defined benefit costs recognised in profit or loss	56	52
Remeasurement on the net defined benefit liability:		
Actuarial (Gain) / Loss due to Demographic Assumption changes	-	-
Actuarial (Gain) / Loss due to Financial Assumption changes	(2)	(6)
Actuarial (Gain) / Loss due to Experience	29	33
Components of defined benefit costs recognised in other comprehensive income	27	27
Total	83	79
(iv) Actuarial Assumptions		
Discount Rate	7.15%	5.95%
Attrition Rate	20%	20%
Increase in Compensation Cost	6.50%	5.50%
Retirement Age	60 years	60 years

Notes forming part of the Consolidated Financial Statements

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

(v) Expected Future Cashflows

Particulars	March 31, 2023	March 31, 2022
Year 1	83	94
Year 2	80	72
Year 3	59	54
Year 4	61	49
Year 5	40	47
Years 6 to 10	140	118

Notes:

- The estimates of future salary increases, considered in the actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.
- 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, 2023

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

As at March 31, 2022

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

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

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

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 and total equity of the Group.

The Group is not subject to any externally imposed capital requirements. The Group is fully funded by equity.

Notes forming part of the Consolidated Financial Statements

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

32.2 Categories of financial instruments

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Financial assets		
<u>Measured at amortised cost</u>		
(a) Cash and bank balances	51,486	43,975
(b) Bank balances other than above	7	41
(c) Trade receivables	754	1,478
(d) Other financial assets at amortised cost	3,577	3,352
Financial liabilities		
<u>Measured at amortised cost</u>		
Lease liabilities	134	172
Other financial liability at amortised cost	1,546	1,622

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	Liabilities as at		Assets as at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
USD	912	831	22,751	19,187
Others*	130	472	8,942	8,359
Total	1,042	1,303	31,693	27,546

* Others include currencies such as SGD, CAD, MYR, VND, CRC, GBP and AUD

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.

Notes forming part of the Consolidated Financial Statements

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

Particulars	Impact on profit or loss for the year		Impact on total equity as at the end of the reporting period	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
USD sensitivity				
Increase by 10%	2,184	1,836	2,184	1,836
Decrease by 10%	(2,184)	(1,836)	(2,184)	(1,836)
Others sensitivity*				
Increase by 10%	881	789	881	789
Decrease by 10%	(881)	(789)	(881)	(789)

* Others include currencies such as SGD, CAD, MYR, VND, CRC, GBP 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.

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	Asset is written off		

Notes forming part of the Consolidated Financial Statements

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

Particulars		Category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
March 31, 2023							
(a) Expected credit loss for loans and other financial assets at amortised cost							
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	Loans at amortised cost	1,618	0%	-	1,618
		High quality assets, negligible credit risk	Other financial assets at amortised cost	71	0%	-	71
		Standard assets, moderate credit risk	Other financial assets at amortised cost	1,890	0%	2	1,888
(b) For expected credit loss for trade receivables under simplified approach refer note 12							

Particulars		Category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
March 31, 2022							
(a) Expected credit loss for loans and other financial assets at amortised cost							
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	High quality assets, negligible credit risk	Loans at amortised cost	1,618	0%	-	1,618
		High quality assets, negligible credit risk	Other financial assets at amortised cost	15	0%	-	15
		Standard assets, moderate credit risk	Other financial assets at amortised cost	1,728	1%	9	1,719
(b) For expected credit loss for trade receivables under simplified approach refer note 12							

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.

Notes forming part of the Consolidated Financial Statements

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

Particulars	Average effective interest rate(%)	Less than 1 year	1-2 years	2 years & above	Total carrying value
March 31, 2023					
Non-interest bearing Lease liabilities	-	1,546	-	-	1,546
	6.53%- 6.62%	48	97	3	148
		1,594	97	3	1,694
March 31, 2022					
Non-interest bearing Lease liabilities	-	1,622	-	-	1,622
	6.53%- 6.62%	48	96	52	196
		1,670	96	52	1,818

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, 2023 and March 31, 2022

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2023 and March 31, 2022

Valuation Methodologies

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.

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')

DXC US International Inc.

Lux 1 Holding Company, Inc.

DXC Luxembourg International S.a.r.l.

DXC Lux 5 S.a.r.l.

DXC Luxembourg Holding S.a.r.l.

DXC Lux 6 S.a.r.l.

DXC UK International Holdings Limited

DXC UK International Services Limited

DXC UK International Limited

DXC UK International Operations Limited

Xchanging Holdings Limited

Xchanging B.V.

Immediate holding company

Xchanging (Mauritius) Limited, Mauritius ('XML, Mauritius')

Notes forming part of the Consolidated Financial Statements

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

(ii) Key Managerial Personnel (KMP)

Whole time Director & Chief Financial Officer	Shrenik Kumar Champalal
Managing Director & Chief Executive Officer	Chandrasekhara Boddaju Rao (till August 8, 2021)
Managing Director & Chief Executive Officer	Nachiket Vibhakar Sukhtankar (from August 13, 2021)
Company Secretary	Aruna Mohandoss (till October 11, 2021)
Company Secretary	Mayank Jain (from November 11, 2021)

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

Fellow subsidiaries

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

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

Xchanging Asia Pacific Sdn Bhd, Malaysia ('XAPSB, Malaysia')

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

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

DXC Technology Singapore Pte. Ltd, Singapore ('DXC, Singapore')

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

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

DXC Technology Services Singapore Pte.Ltd, Singapore ('DXC Technology, Singapore')

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

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

DXC Technology Services LLC, USA ('DXC, USA')

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

CSC CORP-Americas Outsourcing, USA ('Americas Outsourcing, USA')

DXC US Agility Platform Inc., USA ('DXC US Agility, USA')

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

EntServ Deutschland GmbH, Germany ('EntServ, Germany')

Enterprise Services Nederland B.V., Nederland ('Enterprise Services, Nederland')

Enterprise Services Sverige AB, Sweden ('Enterprise Services, Sweden')

DXC Technology Switzerland GmbH, Switzerland ('DXC, Switzerland')

CSC Computer Sciences Limited, UK ('CSC Computer, UK')

EntServ UK Limited, UK ('EntServ, UK')

FSG – Mynd Corp, USA ('FSG, USA')

EntServ Malaysia Sdn Bhd, Malaysia ('EntServ, Malaysia')

CSC Covansys Corporation, USA ('CSC Covansys, USA')

Enterprise Services Costa Rica Limitada, Costa Rica ('Enterprise Services, Costa Rica')

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

DXC Enterprise Australia Pty Ltd, Australia ('DXC Enterprise, Australia')

CHEU EntServ Schweiz(EnQ4), Switzerland ('CHEU EntServ, Switzerland')

EntServ Schweiz GmbH, Switzerland ('EntServ, Switzerland')

Fondsdepot Bank GmbH, Germany ('Fondsdepot, Germany')

Enterprise Services Italia Srl, Italy ('Enterprise Services, Italy')

DXC Integrated Services Victoria Pty Ltd, Australia ('DXC Integrated Services, Australia')

DXC Australia Pty Ltd, Australia ('DXC, Australia')

Notes forming part of the Consolidated Financial Statements

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

XCH Systems and Svcs Inc, USA ('XCH Systems, USA')

Enterprise Services (AP) Limited, Philippines ('Enterprise Services, Philippines') (effective from current financial year)

LUXOFT USA INC, USA ('LUXOFT, USA') (effective from current financial year)

CSC Deutschland GmbH, Germany ('CSC, Germany') (effective from current financial year)

DXC Technology Fin Serv SAS, France ('DXC Technology, France') (effective from current financial year)

ENTERPRISE SERVICES FRANCE SAS, France ('ENTERPRISE SERVICES, France') (effective from current financial year)

B. Summary of transactions with related parties is as follows:	Holding companies		Fellow subsidiaries		Total	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022

Expenses paid on behalf of the Group:

XUKL, UK	-	-	4	9	4	9
XTSIPL, India	-	-	3	6	3	6
DXC, India	-	-	1	-	1	-
EIT, India	-	-	37	70	37	70
Total	-	-	45	85	45	85

Expenses paid on behalf of the related party:

XTSIPL, India	-	-	6	54	6	54
DXC Technology, Singapore	-	-	1	-	1	-
CSC, USA	2	2	-	-	2	2
Total	2	2	7	54	9	56

Interest income on loans:

XTSIPL, India	-	-	108	108	108	108
XBPL, India	-	-	86	86	86	86
Total	-	-	194	194	194	194

Revenue:

XAPSB, Malaysia	-	-	7	-	7	-
XTSIPL, India	-	-	207	106	207	106
DXC, India	-	-	494	650	494	650
DXC, Singapore	-	-	363	498	363	498
DXC Technology, Singapore	-	-	505	414	505	414
Ins-Sure, UK	-	-	119	204	119	204
EIT, India	-	-	20	31	20	31
CSC Consulting, USA	-	-	1	18	1	18
DXC, USA	-	-	753	714	753	714
CSC Corp, USA	-	-	34	-	34	-
Americas Outsourcing, USA	-	-	8	6	8	6
DXC, Switzerland	-	-	71	191	71	191
EntServ, Germany	-	-	62	32	62	32

Notes forming part of the Consolidated Financial Statements

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

Enterprise Services, Nederland	-	-	12	38	12	38
Enterprise Services, Sweden	-	-	19	20	19	20
CSC Computer, UK	-	-	53	101	53	101
EntServ, UK	-	-	20	24	20	24
CSC, USA	-	1	-	-	-	1
ESIT, Canada	-	-	4	3	4	3
DXC Enterprise, Australia	-	-	25	23	25	23
CHEU EntServ, Switzerland	-	-	2	6	2	6
EntServ, Switzerland	-	-	-	1	-	1
Fondsdepot, Germany	-	-	99	76	99	76
Enterprise Services, Italy	-	-	26	3	26	3
DXC Enterprise Services, New Zealand	-	-	-	4	-	4
CSC Covansys, USA	-	-	19	6	19	6
DXC Integrated Services, Australia	-	-	4	4	4	4
DXC, Australia	-	-	17	13	17	13
XUKL, UK	-	-	18	20	18	20
XCH Systems, USA	-	-	-	18	-	18
CSC, Germany	-	-	6	-	6	-
DXC Technology, France	-	-	1	-	1	-
ENTERPRISE SERVICES, France	-	-	3	-	3	-
Total	-	1	2,972	3,224	2,972	3,225

Purchase of services

XTSIPL, India	-	-	1,658	1,903	1,658	1,903
DXC, India	-	-	49	116	49	116
DXC, Singapore	-	-	68	815	68	815
DXC, Vietnam	-	-	14	452	14	452
DXC Technology, Singapore	-	-	95	143	95	143
DXC, USA	-	-	1,489	466	1,489	466
Americas Outsourcing, USA	-	-	134	44	134	44
DXC US Agility, USA	-	-	14	36	14	36
FSG, USA	-	-	3	26	3	26
EntServ, Malaysia	-	-	74	44	74	44
CSC Covansys, USA	-	-	1,278	122	1,278	122
XAPSB, Malaysia	-	-	14	41	14	41
Enterprise Services, Costa Rica	-	-	-	1	-	1
EntServ, UK	-	-	20	10	20	10
Enterprise Services, Philippines	-	-	6	-	6	-
LUXOFT, USA	-	-	59	-	59	-
EIT, India	-	-	64	54	64	54
Total	-	-	5,039	4,273	5,039	4,273

Other Income:

XTSIPL, India	-	-	2	4	2	4
Total	-	-	2	4	2	4

Note:

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

Notes forming part of the Consolidated Financial Statements

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

C. Summary of balances of related parties is as follows:	Holding companies		Fellow subsidiaries		Total	
	As at	As at	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022

Trade Receivables:

XAPSB, Malaysia	-	-	1	-	1	-
XTSIPL, India	-	-	41	32	41	32
DXC, India	-	-	62	50	62	50
DXC, Singapore	-	-	20	40	20	40
Ins-Sure, UK	-	-	-	17	-	17
EIT, India	-	-	-	4	-	4
CSC Consulting, USA	-	-	-	2	-	2
DXC, USA	-	-	59	74	59	74
Enterprise Services, Nederland	-	-	1	3	1	3
Enterprise Services, Sweden	-	-	2	2	2	2
DXC, Switzerland	-	-	7	18	7	18
CSC Computer, UK	-	-	5	11	5	11
EntServ, UK	-	-	2	2	2	2
XUKL, UK	-	-	2	2	2	2
Americas Outsourcing, USA	-	-	1	1	1	1
EntServ, Germany	-	-	2	7	2	7
DXC Enterprise, Australia	-	-	2	2	2	2
Fondsdepot, Germany	-	-	-	76	-	76
DXC Integrated Services, Australia	-	-	-	1	-	1
DXC, Australia	-	-	1	1	1	1
CHEU EntServ, Switzerland	-	-	1	1	1	1
Enterprise Services, Italy	-	-	-	1	-	1
CSC Covansys, USA	-	-	2	3	2	3
XCH Systems, USA	-	-	-	1	-	1
CSC, Germany	-	-	2	-	2	-
CSC Corp, USA	-	-	4	-	4	-
ESIT, Canada	-	-	1	-	1	-
ENTERPRISE SERVICES, France	-	-	2	-	2	-
DXC Technology, Singapore	-	-	53	49	53	49
Total	-	-	273	400	273	400

Trade Payables:

XUKL, UK	-	-	-	8	-	8
XTSIPL, India	-	-	127	171	127	171
DXC, India	-	-	2	87	2	87
DXC, Singapore	-	-	5	57	5	57
CSC, USA	355	385	-	-	355	385
EIT, India	-	-	16	13	16	13
Americas Outsourcing, USA	-	-	12	-	12	-
DXC Technology, Singapore	-	-	8	12	8	12

Notes forming part of the Consolidated Financial Statements

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

DXC, USA	-	-	272	103	272	103
DXC US Agility, USA	-	-	-	5	-	5
EntServ, Malaysia	-	-	7	10	7	10
CSC Covansys, USA	-	-	192	11	192	11
XAPSB, Malaysia	-	-	-	5	-	5
EntServ, UK	-	-	2	1	2	1
LUXOFT, USA	-	-	11	-	11	-
DXC, Vietnam	-	-	1	35	1	35
Total	355	385	655	518	1,010	903

Expense receivable:

XTSIPL, India	-	-	2	-	2	-
Total	-	-	2	-	2	-

Loans and Advances (including interest accrued):

XTSIPL, India	-	-	908	908	908	908
XBPL, India	-	-	725	725	725	725
Total	-	-	1,633	1,633	1,633	1,633

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
	March 31, 2023	March 31, 2022
Salaries, bonus, etc.	80	73
Total	80	73

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 2.6)

The Group has operating lease arrangements for its office premises. The lease arrangements for premises have been entered up to a maximum of five years from the respective dates of inception. Some of these lease arrangements have price escalation clauses.

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, 2023

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Current lease liabilities	40	38
Non-current lease liabilities	94	134
Total	134	172

Notes forming part of the Consolidated Financial Statements

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

B. Movement in Lease liabilities :

The following is the movement in lease liabilities during the year ended March 31, 2023

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Balance as at the beginning of the year	172	265
Additions	-	198
Deletions	-	(200)
Finance costs accrued during the period	10	16
Payment of Lease liabilities	(48)	(107)
Balance as at the end of the year	134	172

C. The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Less than one year	48	48
One to five years	100	148
More than five years	-	-
Total	148	196

D. Amounts recognized in profit or loss:

Particulars	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
Interest on lease liabilities	10	16
Expenses relating to short- term leases	6	5
Depreciation of right of use of assets	41	60

E. Amounts recognized in statement of cash flows

Particulars	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
Total cash outflows for leases	48	107

As at	As at
March 31, 2023	March 31, 2022

35 CAPITAL AND OTHER COMMITMENTS

(a) Capital Commitments

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

- -

36 CONTINGENT LIABILITIES

(Refer note 2.13)

(i) Claims against the Company not acknowledged as debts:

Income tax matters [Note (a)]

3,030 2,763

Service tax matters [Note (b)]

4,718 4,718

7,748 7,481

Notes:

(a) Represents various income tax demands under appeal.

Notes forming part of the Consolidated Financial Statements

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

- (b) The Company had received a Show Cause Notice ('SCN') from the Commissioner of Service Tax, Bangalore in October 2012 proposing a demand of service tax of Rs. 23.59 crs. on import of certain services made by company during the FYs 2007-08 to 2011-12. In March 2013, a suitable reply to above SCN was filed by company stating the legal grounds in defence of the matter. In November 2020, the adjudicating authority i.e. the Principal Commissioner of Service Tax, Noida passed the Order In Original ('OIO') confirming the demand of service tax proposed in the SCN along with penalty of Rs. 23.59 crs and applicable interest. The company has filed an appeal before CESTAT in Allahabad against above OIO in April, 2021 after paying a pre-deposit amount of Rs. 1.77 crs. Also refer note 11.
- (c) The above contingent liabilities are possible obligation or present obligation that may (but probably will not) require an outflow of resources.
- (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 Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The funds were primarily utilised through the year on the activities which are specified in Schedule VII of the Companies Act, 2013:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent by the Company during the year	47.6	48.6
Amount of expenditure incurred	47.6	48.6
Shortfall at the end of the year	Nil	Nil
Total of previous years shortfall	Nil	Nil
Reason for shortfall	Not Applicable	Not Applicable
Nature of CSR activities		
- Education for blind children	46.3	-
- Education for underprivileged children	-	48.6
- Administration Expenses	1.3	-
Details of related party transactions (Refer note (i) below)	1.3	Nil
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	Nil	Nil

Notes:

- (i) This is administration cost claimed for CSR purpose

38 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.

Notes forming part of the Consolidated Financial Statements

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

39 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/(loss) for the year ended March 31, 2023		Share in other comprehensive income for the year ended March 31, 2023		Share in total other comprehensive income for the year ended March 31, 2023	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total other comprehensive income	Amount
Xchanging Solutions Limited	105%	28,182	33%	1,469	100%	(20)	32%	1,449
<u>Indian Subsidiaries</u>								
Nexplicit Infotech India Private Limited	0%	71	0%	(15)	-	-	0%	(15)
<u>Foreign Subsidiaries</u>								
Xchanging Solutions (Singapore) Pte Limited	34%	9,108	6%	291	-	-	7%	291
Xchanging Solutions (USA) Inc	-39%	(10,463)	61%	2,745	-	-	61%	2,745
Gross amounts	100%	26,898	100%	4,490	100%	(20)	100%	4,470
Adjustments arising out of consolidation		40,724		-		1,807		1,807
Net amounts		67,622		4,490		1,787		6,277

40 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, 2023	Maximum balance outstanding during the year
<u>Promoter</u>			
Xchanging Technology Services India Private Limited	Fellow subsidiary	908 (908)	909 (909)
<u>Individual Related Party:</u>			
Xchanging Builders (India) Private Limited	Fellow subsidiary	725 (725)	725 (725)

Note: Figures in bracket relate to previous year

41 As per the MCA notification dated August 5, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain daily back-up of the books of account and other relevant books and papers on servers physically located in India on a daily basis. The books of account along with other relevant records and papers of the Company are maintained in electronic mode. These are readily accessible in India at all times and currently a backup is maintained on a daily basis on servers physically located in India.

42 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period.

43 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 25, 2023.

44 OTHER STATUTORY DISCLOSURES

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

44.2 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified

Notes forming part of the Consolidated Financial Statements

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

by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding, whether recorded in writing or otherwise, that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

45 PREVIOUS YEAR FIGURES

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

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No. 117366W/W-100018

Gurvinder Singh

Partner

Membership No. 110128

Place: Bengaluru

Date: May 25, 2023

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

Nachiket Vibhakar Sukhtankar

**Managing Director and
Chief Executive Officer**

DIN: 08778377

Place: Mumbai

Date: May 25, 2023

Shrenik Kumar Champalal

**Whole Time Director and
Chief Financial Officer**

DIN: 08099410

Place: Bengaluru

Date: May 25, 2023

Mayank Jain

Company Secretary

M. No. A26620

Place: Delhi

Date: May 25, 2023

Pursuant to first proviso to Sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2018
Statement containing salient features of the financials statements of subsidiaries/associates Companies / joint ventures as included in the consolidated Financial Statement

Part - "A": Subsidiaries

(INR in Lakhs)

S. No.	Particulars	Xchanging Solutions (USA) Inc.	Xchanging Solutions Singapore Pte Ltd.
1.	Date since when subsidiary was acquired	July 2, 2004	March 31, 2004
2.	Reporting period	April 1, 2022 - March 31, 2023	
3.	Reporting currency	1 USD = 82.18	1 SGD = 61.82
4.	Share Capital	8,160.23	1,421.77
5.	Reserves & Surplus	(18,615.23)	7,688.84
6.	Total Assets	22,448.46	9,423.67
7.	Total Liabilities	22,448.46	9,423.67
8.	Investments	22.49	0
9.	Turnover	13,779.49	2,049.92
10.	Profit (Loss) before Taxation	3,854.32	367.85
11.	Provision for taxation	1,022.04	52.92
12.	Profit after taxation	2,832.28	314.93
13.	Proposed dividend	-	-
14.	Extent of shareholding (in percentage)	100%	100%

Note:

- 1) NexPLICIT Infotech India Private Limited, step down subsidiary of the Company, is under liquidation

For and on behalf of the Board of Directors

Nachiket Vibhakar Sukhtankar
Managing Director & Chief Executive Officer

Place: Mumbai
Date: May 25, 2023

Shrenik Kumar Champalal
Whole Time Director & Chief Financial Officer

Place: Bangalore
Date: May 25, 2023

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting (“**AGM**”) of the members of Xchanging Solutions Limited (“**the Company**”) will be held on Friday, August 25, 2023 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 Standalone Financial Statements of the Company for the financial year ended March 31, 2023, 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, 2023, together with the Report of the Auditors thereon.

and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolution(s)**:

- a. “**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”
 - b. “**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 and the report of Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”
2. To declare the Interim dividend for the financial year 2023-24 and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** an interim dividend for the financial year 2023-24 at the rate of 150% i.e. Rs.15 /- per equity share of face value of Rs. 10/- each, be and is hereby declared by the members out of the profits of the Company for the quarter ended June 30, 2023 as recommended by the Board of Directors of the Company”
 3. To appoint a Director in place of Mr. Nachiket Vibhakar Sukhtankar (DIN 08778377), who retires by rotation and being eligible, offers himself for re-appointment as a Director and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Nachiket Vibhakar Sukhtankar (DIN 08778377), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

SPECIAL BUSINESS

4. RE-APPOINTMENT OF MR. SHRENİK KUMAR CHAMPALAL (DIN: 08099410) AS WHOLE TIME DIRECTOR (EXECUTIVE DIRECTOR) OF THE COMPANY

To consider and approve the re-appointment of Mr. Shrenik Kumar Champalal (DIN: 08099410) as the Whole Time Director of the Company for the period of 3 years from March 31, 2024 to March 30, 2027 and, in this regard, pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, and in accordance with the provisions of Section 152, 196, 197, 198, 203 and other applicable provisions if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof) read with Schedule V of the Act and the Articles of Association of the Company, Mr. Shrenik Kumar Champalal (DIN: 08099410), Whole Time Director of the Company, in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby re-appointed as Whole Time Director of the Company for a period of three years with effect from March 31, 2024 to March 30, 2027, liable to retire by rotation, on the payment of remuneration and other terms and conditions as set out below:

A. Tenure:

The appointment of Mr. Shrenik Kumar Champalal as Whole Time Director (designated as Executive Director) is for a period of 3 years with effect from March 31, 2024 to March 30, 2027 and he shall be liable to retire by rotation.

B. Duties:

Mr. Shrenik Kumar Champalal shall perform such duties and exercise such powers as may from time to time be entrusted to him, subject to the superintendence and control of the Board of Directors of the Company.

C. Salary & Commission:

Mr. Shrenik Kumar Champalal shall be paid the remuneration including the perquisites, not exceeding INR 70 Lacs per annum during the term of his tenure as Whole Time Director as recommended by the Nomination and Remuneration Committee. He shall not be entitled to any commission during his tenure as Whole Time Director.

D. Reimbursement of Travel and out of pocket expenses:

Mr. Shrenik Kumar Champalal shall be entitled for actual reimbursement of travel and out of pocket expenses incurred for business purpose of the Company.

RESOLVED FURTHER THAT the Whole Time Director shall perform such duties and services as shall from time to time be entrusted to him including the powers exercisable by the Board under the Articles of Association of the Company and shall undertake to use his best endeavors to promote the interests of the Company and comply with such orders and directions as may be given to him by the Board from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

Notice of Annual General Meeting

5. RE-APPOINTMENT OF MRS. NONAVINAKERI SRINIVASAIYENGAR RAMA (DIN: 06720033) AS INDEPENDENT DIRECTOR OF THE COMPANY

To consider and approve re-appointment of Mrs. Nonavinakeri Srinivasaiyengar Rama ("Rama NS") as an Independent Director of the Company. In this regard, it is proposed to consider and if thought fit to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV of the Act and the Articles of Association of the Company and Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and any other applicable provisions of Listing Regulations, including any statutory modification(s)/re-enactment(s) thereof for the time being in force, and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mrs. Nonavinakeri Srinivasaiyengar Rama (DIN: 06720033), who was appointed as a Non Executive Independent Director of the Company for a term of Five (5) years effective from April 1, 2019 by the Shareholders and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act, proposing her candidature for the office of the Director, and who has submitted a declaration that she meets the criteria for Independence as provided in Section 149(6) of the Act and the rules made thereunder and Listing Regulations, and who will attain the age of 75 years on 22nd June, 2024, be and is hereby re-appointed as an Independent Director of the Company, for a second and final term of Five (5) consecutive years effective from April 1, 2024 till March 31, 2029 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary to give effect to this resolution."

6. ADOPTION OF NEW SET OF MEMORANDUM OF ASSOCIATION OF THE COMPANY AS PER COMPANIES ACT, 2013

To consider and approve the adoption of new set of Memorandum of Association of the Company as per Companies Act, 2013. In this regard, it is proposed to consider and if thought fit to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 13, 15 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such other necessary statutory approvals and modifications if any, the approval of the members of the

Company be and is hereby accorded to adopt new set of Memorandum of Association ("MOA") of the Company in place of the existing MOA with no change in existing 'Clause III (A)' containing the Main Objects sub-clause no. 1 to 3.

RESOLVED FURTHER THAT the existing 'Clause III (B)' i.e. "Objects Incidental or Ancillary to the attainment of Main Objects" containing sub-clause no. 1 to 62 be and is hereby stands deleted and replaced by New 'Clause III (B)' i.e. "Matters which are necessary for furtherance of the Objects specified in 'Clause III (A)' containing the sub-clause no. 1 to 62.

RESOLVED FURTHER THAT the existing 'Clause III (C)' containing the "Other Objects" sub clause No. 1 to 10 be and is hereby stands deleted in full.

RESOLVED FURTHER THAT the existing 'Clause IV' i.e. 'The Liability of the members is limited' be and is hereby stands deleted and replaced by New 'Clause IV' i.e. 'The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them'.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the Board, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution), be and is hereby authorized to take all such actions as may be necessary, desirable or expedient and to do all such necessary acts, deeds and things that may be incidental or pertinent to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT Executive Director, Chief Financial Officer or Company Secretary of the Company, be and is hereby authorised severally on behalf of the Company to sign and execute all such applications, forms and documents as required, and to do all such acts, deeds, matters and things as may be necessary and to settle any questions, difficulties, or doubts that may arise in this regard, and to accede to such modification to the aforementioned resolution a may be suggested by the Registrar of Companies or such other authorities arising from or incidental to the said amendment without requiring any further approval of the Board."

7. ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY

To consider and approve the adoption of new set of Articles of Association of the Company as per Companies Act, 2013. In this regard, it is proposed to consider and if thought fit to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 5, 14, 15 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or reenactment thereof, for the time being in force), the Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such other necessary statutory approvals and modifications if any, the new set of Articles of Association ("AOA"), be and are hereby approved and adopted in

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substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company and for adoption of new set of Articles of Association.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the Board, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution), be and is hereby authorized to take all such actions as may be necessary, desirable or expedient and to do all such necessary acts, deeds and things that may be incidental or pertinent to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT Executive Director, Chief Financial Officer or Company Secretary of the Company, be and is hereby authorised severally on behalf of the Company to sign and execute all such applications, forms and documents as required, and to do all such acts, deeds, matters and things as may be necessary and to settle any questions, difficulties, or doubts that may arise in this regard, and to accede to such modification to the aforementioned resolution a may be suggested by the Registrar of Companies or such other authorities arising from or incidental to the said amendment without requiring any further approval of the Board.”

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

Place : Delhi

Date : July 10, 2023

Mayank Jain

Company Secretary
Membership No: A26620

Registered office: -

Kalyani Tech Park - Survey No 1, 6 & 24,
Kundanhalli Village, K R Puram Hobli,
Bengaluru – 560 066
(w.e.f. August 1, 2023, - HP Avenue, 39/40, Electronic City,
Hosur Main Road, Bengaluru 560 100, Karnataka, India)

NOTES:

1. The Ministry of Corporate Affairs (“**MCA**”) *inter-alia* vide its General Circular nos. 14/2020 dated April 8, 2020; 17/2020 dated April 13, 2020; 20/2020 dated May 05, 2020; 02/2021 dated January 13, 2021; 02/2022 dated May 5, 2022 and 10/2022 dated December 28, 2022 issued by MCA (hereinafter collectively referred as “**MCA Circulars**”) has permitted the holding of the Annual General Meeting through Video Conferencing (“**VC**”) or through other audio-visual means (“**OAVM**”), without the physical presence of the Members at a common venue.

In compliance with the provisions of the Companies Act, 2013 (“**the Act**”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020; Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021; Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022; and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023 issued by the Securities and

Exchange Board of India (hereinafter collectively referred as “**SEBI Circular**”), the 22nd Annual General Meeting (“**AGM**”) of the Company is being conducted through VC/OAVM on Friday, August 25, 2023. The proceedings of the AGM deemed to be conducted at Registered Office* of the Company.

* *The Board of Directors at their Meeting held on July 10, 2023, considered and approved shifting of the registered office of the Company, with effect from August 1, 2023, from its current location i.e. “Kalyani Tech Park - Survey No 1, 6 & 24, Kundanhalli Village, K R Puram Hobli, Bengaluru – 560 066” to “HP Avenue, 39/40, Electronic City, Hosur Main Road, Bengaluru 560 100, Karnataka, India”.*

- 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.
- The Explanatory Statement pursuant to Section 102 of the Act setting out the material facts concerning the business under Item No. 2, 4, 5, 6 & 7 are annexed with this Notice. The Board of Directors of the Company at its meeting held on July 10, 2023 considered that the special business under Item No. 4, 5, 6 & 7, be transacted at the AGM of the Company.
- 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 inward.ris@kfintech.com.
- 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 <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>. 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 Limited (Formerly known as KFin Technologies Private Limited) (“**KFin Technologies**”) at <https://evoting.kfintech.com>
- Since the AGM will be held through VC/OAVM Facility, the

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Attendance Slip, Proxy Form and Route Map are not annexed to the Notice.

7. The 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.
8. 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.
 - b. 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.
9. 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 9:30 A.M. (IST) i.e. 30 (Thirty) minutes before the time scheduled to start the AGM.
10. 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.
11. 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.
12. **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 Tuesday, August 22, 2023 (9:00 A.M. IST) and ends on Thursday, August 24, 2023 (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 Friday, August 18, 2023, may cast their votes electronically.
13. **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

- b. 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.
14. 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.
 15. 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. Friday, August 18, 2023.**
 16. 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.
 17. 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.
 18. In terms of provisions of Section 152 of the Act, Mr. Nachiket Vibhakar Sukhtankar retires by rotation at the AGM. The Nomination and Remuneration Committee and the Board of Directors of the Company recommend his re-appointment.
 19. Relevant details in respect of the Director seeking re-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.
 20. The interim dividend for the financial year 2023-24, if approved by the shareholders shall be paid in the following manner:
 - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Friday July 28, 2023;
 - b) To all Members in respect of shares held in physical form after giving effect to valid transfer/transmission in respect of transfer/transmission requests properly lodged with the Company on or before the close of business hours on Friday July 28, 2023.

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21. Pursuant to the amendments as per the Income Tax Act, 1961 ("the IT Act") by the Finance Act, 2020, dividend income is taxable in the hands of the shareholders from April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the IT Act. To enable the Company to comply with the TDS requirements, Members are requested to complete and / or update their Residential Status, Income Tax PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company's Registrar & Share Transfer Agent. A communication providing detailed information & instructions with respect to tax on the Interim Dividend for the FY 2023-24 is being sent separately to the Members. The said communication will also be made available on the Company's website.
- 22. Compulsory Transfer of Equity Shares to Investor Education and Protection Fund ("IEPF") Suspense Account:**
- Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended), all Equity Shares on which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred to the Investor Education and Protection Fund (IEPF) authority after complying with the procedure laid down under the said Rules. The Company has not declared any dividend in past.
- Pursuant to the provisions of Sections 124 and 125 of the Act, there is no amount of Dividend remaining unclaimed / unpaid for a period of 7 (seven) years and/or unclaimed Equity Shares which are required to be transferred to the Investor Education and Protection Fund (IEPF).
23. The Securities and Exchange Board of India ("SEBI") has made it mandatory all the listed entities to use the Bank Account details furnished by the Depositories and the Bank Account details maintained by the RTA for payment of Dividend through National Automated Clearing House (NACH) to investors wherever Bank details are available. In the absence of NACH facilities, the Company will print the Bank Account details, if available, on the payment instrument for distribution of Dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion / change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participant(s) about such change, with complete details of Bank Account.
24. Shareholders holding the shares in electronic mode may please note that their dividend would be paid through National Automated Clearing House (NACH) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the Shareholders to their Depository Participant(s). In the absence of availability of NACH facility, the dividend would be paid through Warrants/Demand Drafts and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants/demand drafts as per the applicable Regulations. For Shareholders who have not updated their bank account details, Dividend Warrants/ Demand Drafts will be sent to their registered addresses subject to normalization of the postal services.
25. SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in dematerialized form are, therefore requested to submit their PAN to the Depository Participant(s) with whom they are maintaining their dematerialized accounts. Members holding shares in physical form can submit their PAN details to KFin Technologies.
26. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. For the safety and interest of the shareholders, it is important that bank account details are correctly provided to the Depository Participants and registered against their demat account.
27. Mr. Ankush Agarwal, Partner (Membership No. F9719 & COP No. 14486) or failing him Mr. Satish Kumar Nirankar, Partner (Membership No. F9605 & COP No. 19993) of MAKS & Co., Company Secretaries (FRN P2018UP067700) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and casting of vote through the e-voting system during the AGM in a fair and transparent manner.
28. 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. August 25, 2023.
29. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations> and on the website of KFin Technologies at <https://evoting.kfintech.com>, 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.
30. 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.
31. The Company has designated an exclusive Email ID compliance@xchanging.com for redressal of shareholders complaints/grievances and for any investor related queries, you are requested to please write to us at the above Email ID.
32. KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), ("KFin Technologies/RTA"),

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the Company's Registrar and Transfer Agent will provide the facility for voting through remote e-voting; for participating at the AGM through VC / OAVM and for e-voting during the AGM.

33. Generally, a Member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. Since the AGM is being held through VC / OAVM, physical attendance of Members is dispensed with and consequently, the facility for appointment of proxies is not applicable. Hence proxy forms and attendance slips are not annexed to this Notice.
34. Corporate Members intending to authorise their representatives to attend the meeting pursuant to Section 113 of the Act, are requested to email certified copy of the Board / governing body resolution / authorisation etc. authorising their representatives to attend and vote on their behalf. The documents should be emailed to compliance@xchanging.com and a copy marked to evoting@kfintech.com with the subject line **XCHANGING SOLUTIONS LIMITED**.
35. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Shareholders holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s).

SEBI further vide its circular dated March 16, 2023 has also provided for mandatory furnishing of PAN, KYC details, nomination, contact details, Bank A/c details and specimen signature for their corresponding folio numbers by the holders of physical securities. The folios wherein any one of the above cited documents / details are not available on or after October 01, 2023 shall be frozen by the RTA. The security holders whose folio(s) have been frozen shall be eligible to lodge grievance or avail any service request from the RTA only after furnishing the aforesaid complete documents / details. The payment including dividend, interest or redemption payment in respect of such frozen folios shall be made only through electronic mode with effect from April 01, 2024. The payment shall be made electronically only upon complying with the aforesaid requirements of submission of PAN and other KYC details. Frozen folios shall be referred by the RTA/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

Accordingly, such shareholders are requested to submit the aforesaid requisite information/documents at the earliest with the RTA of the Company. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>

36. As per the provisions of Section 72 of the Companies Act, 2013 and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No.

SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website at <https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to KFin Technologies in case the shares are held in physical form.

DISPATCH OF ANNUAL REPORT, PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF NOTICE AND ANNUAL REPORT:

1. In accordance with the provisions of the MCA and SEBI circulars, the AGM Notice along with the Annual Report are being sent through email only to Members whose email IDs are registered with KFin Technologies; National Securities Depository Limited ("NSDL") and / or Central Depository Services (India) Limited ("CDSL") (collectively referred to as Depositories or NSDL / CDSL). In case any member is desirous of obtaining hard copy of the Annual Report for the financial year 2022-23 and Notice of the 22nd AGM of the Company, may send request to the Company's email address at compliance@xchanging.com mentioning folio No./ DP ID and Client ID
2. The AGM Notice and the Annual Report are available on the Company's website <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>, the website of KFin Technologies <https://evoting.kfintech.com> and also on those of the BSE Limited www.bseindia.com and the National Stock Exchange of India Limited www.nseindia.com.
3. Members who have still not registered their email IDs are requested to do so at the earliest.
 - Members holding shares in electronic mode can get their email ID registered by contacting their respective Depository Participant.
 - Members holding shares in physical mode are requested to register their email ID with the Company or KFin Technologies, for receiving the AGM Notice and Annual Report. Requests can be through email or by logging into <https://ris.kfintech.com/client-services/mobileereg/mobileemailreg.aspx>.

We urge Members to support this Green Initiative effort of the Company and get their email ID registered.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

4. Members will be able to attend the AGM through VC / OAVM or view the live webcast of the AGM at <https://emeetings.kfintech.com/> by using their remote e-voting login credentials and selecting the 'Event' for Company's AGM. 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 AGM Notice. Further, Members can also use the OTP based login for logging into the e-voting system.
5. Members may join the AGM through laptops, smartphones,

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tablets or ipads for better experience. Further, Members will be required to use internet with a good speed to avoid any disturbance during the AGM. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Mozilla Firefox.

Please note that participants connecting from mobile devices or tablets or through laptops 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 glitches.

Members will be required to grant access to the web-cam to enable two-way video conferencing.

6. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and shall be kept open throughout the AGM. Members will be able to participate in the AGM through VC / OAVM on a first-come-first-serve basis.

Large Members (i.e. Members 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. will not be subject to the aforesaid restriction of first-come first-serve basis.

7. Institutional Members are encouraged to participate at the AGM through VC / OAVM and vote thereat.
8. Members, holding shares as on the cut-off date i.e. Friday, August 18, 2023 and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers at <https://emeetings.kfintech.com> and clicking on "Speaker Registration" during the period from Sunday, August 20, 2023 (9:00 AM IST) to Monday, August 21, 2023 (5:00 PM IST). Those Members who have registered themselves as a speaker will only be allowed to speak / express their views / ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

Alternatively, Members holding shares as on the cut-off date may also visit <https://emeetings.kfintech.com> and click on the tab 'Post Your Queries' and post their queries / views / questions in the window provided, by mentioning their name, demat account number / folio number, email ID and mobile number. The window will close at 5.00 p.m. (IST) on Monday, August 21, 2023.

9. Members who need assistance before or during the AGM, relating to use of technology, can contact KFin technologies at 1800 309 4001 or write to them at evoting@kfintech.com.

PROCEDURE FOR REMOTE E-VOTING AND VOTING DURING THE AGM:

10. Members are requested to attend and participate at the ensuing AGM through VC / OAVM and cast their vote either through remote e-voting facility or through e-voting facility to be provided during AGM.
11. The facility of e-voting during the AGM will be available to those Members who have not cast their vote by remote e-

voting. Members, who cast their vote by remote e-voting, may attend the AGM through VC / OAVM, but will not be entitled to cast their vote once again on the resolutions. If a Member casts votes by both modes i.e. voting at AGM and remote e-voting, voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

12. In case of any query and / or assistance required, relating to attending the AGM through VC / OAVM mode, Members may refer to the Help & Frequently Asked Questions (FAQs) and 'AGM VC / OAVM' user manual available at the download Section of <https://evoting.kfintech.com> or contact Mr. Anandan K, KFin Technologies at the email ID evoting@kfintech.com or call KFin Technologies's toll free No.: 1800 309 4001 for any further clarifications / technical assistance that may be required.
13. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 relating to 'e-voting Facility Provided by Listed Entities' ("SEBI e-voting Circular"), the Company is pleased to provide to Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means through e-voting services arranged by KFin Technologies. Members may cast their votes using an electronic voting system from a place other than the venue of the AGM ("remote e-voting").
14. The remote e-voting period commences on Tuesday, August 22, 2023 (9:00 A.M. IST) and ends on Thursday, August 24, 2023 (5:00 P.M. IST). During this period, Members of the Company holding shares either in physical form or in demat form, as on the cut-off date i.e. Friday, August 18, 2023 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by KFin Technologies for voting thereafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
15. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
16. Any person holding shares in physical form and non-individual shareholders holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. In case they are already registered with KFin Technologies for remote e-voting, they can use their existing User ID and password for voting.
17. In terms of SEBI e-voting Circular, e-voting process has been enabled for all 'individual demat account holders', by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participant(s) ("DP").
18. Individual Members having demat account(s) would be able to cast their vote without having to register again with the e-voting service provider ("ESP") i.e. KFin Technologies, thereby not only facilitating seamless authentication but also ease and convenience of participating in the e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access the e-voting facility.

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19. The process and manner for remote e-voting and joining and voting at the AGM are explained below:





Step 1 : Access to Depositories e-voting system in case of individual Members holding shares in demat mode.

Step 2 : Access to KFin Technologies e-voting system in case of Members holding shares in physical and non-individual Members in demat mode.

Step 3 : Access to join the AGM on KFin Technologies system and to participate and vote thereat.

Details on Step 1 are mentioned below:

I) Login for remote e-voting for Individual Members holding equity shares in demat mode.

Type of Member	Login Method
Individual Members holding securities in demat mode with NSDL	<p>Existing Internet-based Demat Account Statement (“IDeAS”) facility Users:</p> <ol style="list-style-type: none"> Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. Thereafter enter the existing user id and password. After successful authentication, Members will be able to see e-voting services under ‘Value Added Services’. Please click on “Access to e-voting” under e-voting services, after which the e-voting page will be displayed. Click on company name i.e. ‘Xchanging Solutions Limited’ or e-voting service provider i.e. KFin Technologies. Members will be re-directed to KFin Technologies website for casting their vote during the remote e-voting period and voting during the AGM. <p>Those not registered under IDeAS:</p> <ol style="list-style-type: none"> Visit https://eservices.nsdl.com for registering. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. Visit the e-voting website of NSDL https://www.evoting.nsdl.com/. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section. A new screen will open. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a Verification Code as shown on the screen. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page. Click on company name i.e Xchanging Solutions Limited or e-voting service provider name i.e KFin Technologies after which the Member will be redirected to e-voting service provider website for casting their vote during the remote e-voting period and voting during the AGM. Members can also download the NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around;">   </div>
Individual Members holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing user who have opted for Electronic Access To Securities Information (“Easi / Easiest”) facility: <ol style="list-style-type: none"> Visit https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com Click on New System Myeasi. Login to MyEasi option under quick login. Login with the registered user ID and password. Members will be able to view the e-voting Menu. The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authentication.

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	<p>2. User not registered for Easi / Easiest</p> <ol style="list-style-type: none"> Visit https://web.cdslindia.com/myeasi/Registration/EasiRegistration for registering. Proceed to complete registration using the DP ID, Client ID (BO ID), etc. After successful registration, please follow the steps given in point no. 1 above to cast your vote. <p>3. Alternatively, by directly accessing the e-voting website of CDSL</p> <ol style="list-style-type: none"> Visit www.cdslindia.com Provide Demat Account Number and PAN System will authenticate user by sending OTP on registered mobile and email as recorded in the Demat Account. After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. 'Xchanging Solutions Limited' or select KFin Technologies. Members will be re-directed to the e-voting page of KFin Technologies to cast their vote without any further authentication.
Individual Members login through their demat accounts / Website of Depository Participant	<ol style="list-style-type: none"> Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility. Once logged-in, Members will be able to view e-voting option. Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature. Click on options available against Xchanging Solutions Limited or KFin Technologies. Members will be redirected to e-voting website of KFin Technologies for casting their vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through NSDL / CDSL:

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Details on Step 2 are mentioned below:

II) Login method for e-voting for Members other than Individual Members holding shares in demat mode and Members holding securities in physical mode.

(A) Members whose email IDs are registered with the Company / Depository Participant(s), will receive an email from KFin Technologies which will include details of e-voting Event Number (EVEN), USER ID and password.

They will have to follow the following process:

- Launch internet browser by typing the URL:
<https://evoting.kfintech.com>
- Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if a Member is registered with KFin Technologies for e-voting, they

can use their existing User ID and password for casting the vote.

- After entering these details appropriately, click on "LOGIN".
- Members will now reach password change Menu wherein they are required to mandatorily change the 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 the Member to change their password and update their contact details viz. mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve their password in case they forget it. It is strongly recommended that Members do not share their password with any other person and that they take utmost care to keep their password confidential.
- Members would need to login again with the new credentials.

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- vi. On successful login, the system will prompt the Member to select the “EVEN” i.e., ‘Xchanging Solutions Limited - AGM’ and click on “Submit”
 - 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, a Member may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed the total shareholding as mentioned herein above. A Member may also choose the option ABSTAIN. If a 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 account.
 - ix. Voting has to be done for each item of the notice separately. In case a Member does not desire to cast their vote on any specific item, it will be treated as abstained.
 - x. A Member may then cast their 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 a Member has voted on the resolution(s), they will not be allowed to modify their vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- II. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Friday, August 18, 2023.
 - III. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. Friday, August 18, 2023 may obtain the User ID and Password in the manner as mentioned below:
 - a. 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 +91 9212993399
Example for NSDL: MYEPWD<SPACE>IN12345612345678
Example for CDSL: MYEPWD<SPACE>1402345612345678
Example for Physical: MYEPWD<SPACE>XXX1234567890
 - b. If email ID 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.
 - c. Members may call KFin Technologies toll free number 1800 309 4001.
 - d. Members may send an email request to: evoting@kfintech.com. If the Member is already registered with the KFin Technologies e-voting platform then such Member can use his / her existing User ID and password for casting the vote through remote e-voting.

Details on Step 3 are mentioned below:

III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-voting during the meeting.

- i. Members will be able to attend the AGM through VC / OAVM platform provided by KFin Technologies. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company / KFin Technologies.
- ii. After logging in, click on the Video Conference tab and select the EVEN of the Company.
- iii. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that Members who do not have the user id and password for e-voting or have forgotten the same may retrieve them by following the remote e-voting instructions mentioned above.

Other Instructions:

- I. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.

- IV. The Board of Directors has appointed M/s. MAKS & CO., Company Secretaries (FRN : P2018UP067700), as a Scrutinizer to scrutinize the remote e-voting process and e-voting at the AGM in a fair and transparent manner.
- V. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the AGM is being held through VC / OAVM. The e-voting window shall be activated upon instructions of the Chairman of the AGM during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform and no separate login is required for the same.
- VI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at <https://www.dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations> and on the website of KFin Technologies at <https://evoting.kfintech.com>, 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.

VII. Procedure for Registration of email and Mobile:

Securities in physical mode

Physical shareholders are hereby notified that SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37,

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dated March 16th, 2023, All holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx>

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

- a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- b) Through hard copies which are self-attested, which can be shared on the address below; or

Name : KFIN Technologies Limited

Address : Selenium Building, Tower-B,
Plot No 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddy,
Telangana India - 500 032.

- c) Through electronic mode with e-sign by following the link: HYPERLINK "<https://ris.kfintech.com/clientservices/isc/default.aspx>"<https://ris.kfintech.com/clientservices/isc/default.aspx#>

Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

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

Place : Delhi
Date : July 10, 2023

Mayank Jain
Company Secretary
Membership No: A26620

Registered office: -
Kalyani Tech Park - Survey No 1, 6 & 24,
Kundanhalli Village, K R Puram Hobli,
Bengaluru – 560 066
(w.e.f. August 1, 2023, - HP Avenue, 39/40, Electronic City,
Hosur Main Road, Bengaluru 560 100, Karnataka, India)

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EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 2:

DECLARATION THE INTERIM DIVIDEND FOR THE FINANCIAL YEAR 2023-24

Xchanging Solutions USA Inc, wholly owned subsidiary of the Company, has made partial repayment of the unsecured loan amounting to USD 22,559,096 (INR 1,831,451,185) to the Company and the same was intimated to stock exchanges on June 21, 2023 and June 22, 2023. Since, this unsecured loan was earlier considered as provisions in the books of the Company, receipt of this loan will be treated as income in the hands of the Company. It is, therefore, proposed to reward the shareholders of the Company by declaring Interim dividend for FY 2023-24.

After considering Articles 152 of Articles of Association of the Company, the profits of the Company for the quarter ended June 30, 2023, future requirements and Dividend Distribution Policy of the Company, Board has recommended the Interim dividend for the financial year 2023-24 at the rate of 150 % i.e. Rs. 15/- per equity share of face value of Rs. 10/- each of the Company in its meeting held on July 10, 2023.

None of the Directors/ Key Managerial Personnel of the Company/their relatives are in any way concerned or interested (financial or otherwise), in the resolution set out in Item No. 2 of AGM Notice.

The Board recommends passing of the resolution set out at Item No. 2 for the approval of the members of the Company by way of an **Ordinary Resolution**.

ITEM NO. 4:

RE-APPOINTMENT OF MR. SHRENIK KUMAR CHAMPALAL AS WHOLE TIME DIRECTOR (EXECUTIVE DIRECTOR) OF THE COMPANY

Mr. Shrenik Kumar Champalal (DIN: 08099410) was appointed as Whole Time Director of the Company by the shareholders of the Company at their Annual General Meeting held on September 26, 2018, reappointed for a further term of three years at their Annual General Meeting held on September 27, 2021 and his present term of appointment will expire on March 30, 2024. The Nomination and Remuneration Committee and the Board of Directors of the Company at its meeting held on May 25, 2023, recommended the re-appointment of Mr. Shrenik Kumar Champalal as Whole Time Director of the Company for a further period of three years from March 31, 2024 to March 30, 2027 subject to the approval of members of the Company in this Annual General Meeting as a Special Resolution, at the remuneration, in accordance with norms laid down in Section 196, 197 and

other applicable provisions of the Companies Act, 2013 and the rules made there under Schedule V of Companies Act, 2013.

He has given his consent for re-appointment as a Whole-time Director of the Company and has confirmed that he is not disqualified from being appointed as a Director under Section 164 of the Act and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations"). He is also not debarred from holding the office of Director by virtue of any SEBI order or any other such authority. The terms as set out in the Resolution and explanatory statement may be treated as an abstract of the terms of appointment pursuant to Section 196 of the Act.

Schedule V of the Companies Act, 2013 provides that where in any financial year during the currency of tenure of the Executive Director, a Company has no profits or its profits are inadequate, it may pay remuneration up to the limit prescribed therein, which is based on the effective capital of the Company, provided the minimum remuneration payable to such Directors is approved by the members by way of a Special Resolution. The Special Resolution so passed shall be valid for a period of three years.

Although the Company has profit from operations in the current financial years, it is proposed to approve the above in order to enable the Company to pay the remuneration to its Directors in the eventuality of loss/ inadequacy of profits.

The payment of minimum remuneration to Mr. Shrenik Kumar Champalal as stated above is subject to the approval of the members.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Shrenik Kumar Champalal for the office of Director of the Company.

The disclosure relating to the Directors seeking re-appointment/ appointment are 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 as annexed to the Notice.

The resolution seeks for the approval of members as a Special Resolution for the re-appointment of Mr. Shrenik Kumar Champalal as Whole Time Director of the Company from March 31, 2024 to March 30, 2027, pursuant to the provisions of Section 196 and 197 read with Schedule V and other applicable provision of the Companies Act, 2013 and the rules made there under.

Except Mr. Shrenik Kumar Champalal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 4 of the Notice for the approval of the members.

The information as required under Schedule V Section II are as follows: -

I.	GENERAL INFORMATION	
1	Nature of Industry	Information Technology Services
2	Date or expected date of commencement of commercial production	Not Applicable (The Company is an existing Company)

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3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	Particulars Period 1-4-2022 to 31-03-2023 Total Revenue: INR 4,750 Lakhs Profit before tax: INR 1,879 Lakhs Profit after tax: INR 1,469 Lakhs
5	Export performance and net foreign exchange collaborations	The Company has foreign exchange earnings of INR 2,831 Lakhs during the financial Year ending 31 March 2023
6	Foreign investments or collaborators, if any.	The Company has investments in the following overseas direct subsidiaries: 1. Xchanging Solutions (USA) Inc., USA 2. Xchanging Solutions (Singapore) Pte. Ltd. Singapore
II. INFORMATION ABOUT THE APPOINTEE DIRECTOR:		
1	Background Details:	The background details of Mr. Shrenik Kumar Champalal are given elsewhere in the notice.
2	Past remuneration	Rs 54.09 Lakhs
3	Recognition or awards	-
4	Job profile and his suitability	He is a CFO of the Company.
5	Remuneration proposed	As per details given in resolution Item No. 4
6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	Though direct comparable data could not be obtained, however, as a normal industry trend, the proposed remuneration of Mr. Shrenik Kumar Champalal, who is a professional, possessing invaluable and rich knowledge, experience and insights complemented with the vast experience and is in parity with the Industry Standards for such a responsible position.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	He is a CFO of the Company
III OTHER INFORMATION		
1	Reasons of loss or inadequate profits	Reduction in revenue is primarily due to the following: • Non-renewal of some of the customers contract • General IT industry slowdown of the country at large
2	Steps taken or proposed to be taken for improvement	The Company will remain committed to generating superior returns for its stakeholders. Company would approach to new customer.
3	Expected increase in productivity and profits in measurable terms	Continuous efforts to expand marketing and economy in operations.
IV	Disclosures	The requisite disclosures have been made in the Board of Directors Report under the heading "Corporate Governance" as attached to the financial statement.

ITEM NO. 5:

RE-APPOINTMENT OF MRS. NONAVINAKERI SRINIVASAIYENGAR RAMA (DIN: 06720033) AS INDEPENDENT DIRECTOR OF THE COMPANY

Mrs. Nonavinakere Srinivasaiyengar Rama ("Rama NS") (DIN: 06720033) was appointed as Non Executive Independent Director of the Company for a period of five (5) consecutive years, w.e.f April 01, 2019 to March 31, 2024 in terms of the provisions of Section 149 of the Companies Act, 2013 ("Act") and Regulation 25 of Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Accordingly, the first term of five consecutive years of Mrs. Rama NS, as a Non-Executive Independent Director of the Company, is due to expire on March 31, 2024.

Considering the valuable guidance and support provided by her to the Board and the Management since joining the Board in 2019, based on the demonstrated skills, competence and expertise in understanding of business and her performance evaluation, the Board, on the recommendation of the Nomination and Remuneration Committee, has determined that the re-

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appointment of Mrs. Rama NS as Non-Executive Independent Director for another term of 5 years would be beneficial to the Company.

Accordingly, the Board of Directors, at their meeting held on May 25, 2023, approved and recommended her re-appointment as a Non-Executive Independent Director for a second and final term of 5 (Five) consecutive years effective from April 1, 2024 till March 31, 2029, not liable to retire by rotation, subject to the approval of the Members by way of a Special Resolution.

The Company has also received a declaration to the effect that she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation(s) 16, 25 and other applicable Regulations of the SEBI Listing Regulations.

Mrs. Rama NS is aged 74 years. Mrs. Rama NS would be attaining the age of 75 years on 22nd June, 2024. In view of the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, for the continuation of Mrs. Rama NS as a Non- Executive Independent Director effective from April 1, 2024 till March 31, 2029, consent of the Members is required by way of a Special Resolution.

The Company has also received a Notice from a member, in writing, under Section 160 of the Act proposing her candidature for the office of Director. Further, in the opinion of the Board, Mrs. Rama NS fulfills the conditions specified in the Act, the Rules thereunder and the SEBI Listing Regulations for re-appointment as an Independent Director and that she is Independent of the Management of the Company. She possesses the requisite skills, expertise and competencies identified by the Board for effective functioning of the Company.

Accordingly, it is now proposed to re-appoint Mrs. Rama NS as Independent Woman Director under Section 149 of the Act and Regulation 16, 17, 25 and other applicable Regulations of the SEBI Listing Regulations for an another term of 5 (five) years w.e.f. April 1, 2024.

Having regard to her qualifications, knowledge and rich experience, her continued contribution of Mrs. Rama NS as a Non Executive Independent Director on the Board of the Company will be in the best interest of the Company. A brief profile of Mrs. Rama NS, qualification, experience, expertise and the information pursuant to regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings are disclosed herein Annexure A to this Explanatory Statement.

In terms of Regulation 25(8) of the SEBI Listing Regulations, she has also confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties with an objective independent judgment and without any external influence. Further, she is neither disqualified from being appointed as a Director in terms of Section 164(2) of the Act, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has successfully registered herself in the Independent Directors' data bank maintained by Indian Institute of Corporate Affairs.

Copy of the draft letter of appointment of Mrs. Rama NS as Independent Director of the Company setting out the terms and conditions of her appointment would be available for inspection

without any fee by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, during normal business hours.

No Director (other than Mrs. Rama NS herself), and key managerial personnel and their relatives, is in any way concerned or interested, financially or otherwise, in this resolution set out in Item No. 5 of AGM Notice.

The Board recommends passing of the Resolution as set out at Item No. 5 for the approval of the members of the Company by way of a **Special Resolution**.

ITEM NO. 6:

ADOPTION OF NEW SET OF MEMORANDUM OF ASSOCIATION OF THE COMPANY AS PER COMPANIES ACT, 2013

The existing Memorandum of Association (MOA) of the Company is based on the erstwhile Companies Act, 1956. The Alteration of MOA is necessary to bring the existing MOA in line with the new Companies Act, 2013 (the "**new Act**").

The object clause and the liability clause of the existing MOU needs to be re-aligned as per Table A of Schedule I of the new Act. Members are requested to note that there is no change in main objects of the Company. MOA is being amended and replaced only to bring the same in line with the new Act.

The Board at its meeting held on July 10, 2023 has approved the adoption of new set of Memorandum of Association of the Company.

A copy of the proposed set of new MOA of the Company would be available for public inspection at the registered office of the Company and on the Company's website for electronic inspection up to the date of the Annual General Meeting ("AGM").

In terms of Section 4 and 13 of the Act, the consent of the Members by way of Special Resolution is required for adoption of new set of Memorandum of Association of the Company.

None of the Directors/ Key Managerial Personnel of the Company/their relatives are in any way concerned or interested (financial or otherwise), in the resolution set out in Item No. 6 of AGM Notice.

The Board recommends passing of the Resolution set out at Item No. 6 for the approval of the members of the Company by way of a **Special Resolution**.

ITEM NO. 7:

ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY

The existing Articles of Association (AOA) of the Company are based on the provisions of the Companies Act, 1956 (the "**erstwhile Act**") and several regulations in the existing AOA contained reference to specific sections of the erstwhile Act and some regulations in the existing AOA are no longer in conformity with the Companies Act, 2013 (the "**new Act**").

In order to bring the existing AOA of the Company in line with the provisions of the new Act, the Company will have to make numerous changes in the existing AOA. It is therefore considered desirable to adopt a comprehensive new set of Articles of Association of the Company (new Articles) in substitution of and to the exclusion of the existing AOA.

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The Board at its meeting held on July 10, 2023 has approved the adoption of new set of Articles of Association of the Company.

In terms of Section 14 of the Act, the consent of the Members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company.

A copy of the proposed set of new AOA of the Company would be available for public inspection at the registered office of the Company and on the Company's website for electronic inspection up to the date of the Annual General Meeting ("**AGM**").

None of the Directors/ Key Managerial Personnel of the Company/their relatives are in any way concerned or interested (financial or otherwise), in the resolution set out in Item No. 7 of AGM Notice.

The Board recommends passing of the resolution set out at Item No. 7 for the approval of the members of the Company by way of a **Special Resolution**.

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Annexure-A

In item no. 3, 4 and 5, Additional Information pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings:-

Name of the Director	Mr. Shrenik Kumar Champalal	Mr. Rama NS	Mr. Nachiket Vibhakar Sukhtankar
DIN	08099410	06720033	08778377
Date of Birth	February 1, 1976	June 22, 1949	June 26, 1968
Age	47 years	74 years	55 years
Date of first appointment on the Board	March 31, 2021	April 1, 2019	August 13, 2021
Qualification	Mr. Shrenik Kumar Champalal is a Chartered Accountant	Mrs. Rama NS holds B Tech degree	Mr. Nachiket Vibhakar Sukhtankar holds a master's degree in economics from Northwestern University and a bachelor's degree in electrical engineering, as well as economics and business, from Lafayette College
Relation with Promoters/ Directors	He is a CFO of the Company and he is a director in Xchanging Technology Services India Private Limited (Promoter Company) He has no relationship with Promoters/ Directors	She has no relationship with Promoters/ Directors	He is the Managing director of a Promoter Company (DXC Technology India Private Limited) and director in Xchanging Technology Services India Private Limited (Promoter Company). He has no relationship with Promoters/ Directors
Remuneration last drawn	Rs. 54.09 lakhs	During FY 2022-23, she has drawn the sitting fees of Rs. 10.20 Lakhs for attending the Board and Committee Meetings of the Company.	Nil
Brief Resume and nature of Expertise in specific functional areas	Shrenik Kumar Champalal is a Chartered Accountant with over 22 years of progressive and successful experience in Finance, Controllership, Reporting & technical accounting advisory role in various countries. He has a strong background in corporate finance, financial and statutory reporting, auditing, controllership along with expertise in International and Indian accounting standards. He has acquired valuable international experience working with management and business cultures in Canada, UAE and UK. He is an exceptional leader, motivator, and team builder who is goal-oriented and excels in a fast-paced, high-pressure environment. He has actively participated in the development of the various corporate strategic plans. He has contributed significantly to the development and management of the various financial controls. He has led financial reporting integration and automation projects in various countries. He worked with companies like P&O ports, Lovelock & Lewes (PwC) and Dubai International Capital LLC prior to joining Xchanging.	Rama NS, Advisor ELCIA (Electronics city Industries Association), is on the academic advisory board of management Institutes. She was CEO ELCITA, Electronics City Industrial Township Authority that Governs Electronics City. As Vice President, she was Delivery Head for the product engineering team of 4500 people and location head for Infosys Bangalore development center with 22000 people in Infosys. She has also served ITI as R&D engineer and project head for telecommunication programs. She is a board member with Timken and Xchanging solutions. Rama is currently Co-chairperson and external member of Anti sexual harassment initiative in Infosys. She is an active member from its inception in 1999 and has contributed significantly towards documenting policies and processes. Rama is a gold medalist from Mysore University and is one of the first few women engineers of Karnataka	Nachiket brings over 25 years of experience in business strategy, management and leadership at both the regional and global levels. He has worked in the technology and IT services sector with TCS, Infosys and, most recently, Accenture. His expertise on driving efficiencies, performance and satisfaction while delivering innovative technology solutions to customers. He drives to improve business leadership and competitive position of the company and helps to define and implement the company's global delivery and innovation center strategy, in support of DXC's focus on the enterprise technology stack.
Terms and Conditions of appointment	Stated in the Resolution	Stated in the Resolution	NA
Directorships held in other Companies (Including Listed Companies)	<ul style="list-style-type: none"> Xchanging Technology Services India Private Limited Xchanging Builders India Private Limited Xchanging Solutions Limited 	<ul style="list-style-type: none"> Timken India Limited Xchanging Solutions Limited 	<ul style="list-style-type: none"> Xchanging Technology Services India Private Limited Xchanging Builders India Private Limited

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					<ul style="list-style-type: none"> • Xchanging Solutions Limited • computer Sciences Corporation India Private Limited • UXC India IT Services Private Limited • DXC Technology India Private Limited 	
Chairman/Member other than Xchanging Solutions Ltd.) of:	Chairman	Member	Chairman	Member	Chairman	Member
	Nil	Nil	Stakeholders Relationship Committee - Timken India Limited Nomination & Remuneration Committee - Timken India Limited	Audit Committee - Timken India Limited	Nil	Nil
Membership/ Chairmanship in Committees of Xchanging Solutions Limited	<ol style="list-style-type: none"> 1. Stakeholders Relationship Committee-Member 2. Corporate Social Responsibility Committee-Member 3. Audit Committee-Member 4. Risk Management Committee-Chairman 		<ol style="list-style-type: none"> 1. Nomination & Remuneration Committee - Member 2. Stakeholders Relationship Committee- Member 3. Corporate Social Responsibility Committee-Member 4. Audit Committee - Chairman 5. Committee of Independent Directors – Member 6. Risk Management Committee - Member 		<ol style="list-style-type: none"> 1. Risk Management Committee - Member 	
Name of listed entities from which he/she has resigned in the past three years	Nil		Nil		Nil	
Number of shares held in Xchanging Solutions Limited including shareholding as a beneficial owner	1		Nil		Nil	
Percentage of shareholding	Nil		Nil		Nil	
Number of meetings of the Board attended during the year	4		4		4	

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

Place : Delhi
Date : July 10, 2023

Registered office :-
Kalyani Tech Park - Survey No 1, 6 & 24,
Kundanhalli Village, K R Puram Hobli,
Bengaluru – 560 066
(w.e.f. August 1, 2023, - HP Avenue, 39/40, Electronic City,
Hosur Main Road, Bengaluru 560 100, Karnataka, India)

Mayank Jain
Company Secretary
Membership No: A26620

Shareholder Information

XCHANGING SOLUTIONS LIMITED

Registered office: HP Avenue, 39/40, Electronic City,
Hosur Main Road, Bengaluru 560100,
Karnataka, India
Phone : +91 80 3387 0001

For Corporate reports and Company News, visit our website at:
<https://dxc.com/in/en/about-us/xchanging-solutions-limited-investor-relations>

STOCK EXCHANGES

Company is listed on the following stock exchanges (Ticker Symbol: XCHANGING)
BSE (BSE Limited)
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.

If undelivered please return to:

XCHANGING SOLUTIONS LIMITED

CIN: L72200KA2002PLC030072

HP Avenue, 39/40, Electronic City,
Hosur Main Road, Bengaluru 560100,
Karnataka, India

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