

Xchanging Tower
SJR iPark · EPIP Area · Whitefield
Bangalore-560 066 · India

T +91 80 3054 0000
F +91 80 4115 7394
E info@xchanging.com



xchanging.com

XSL/SE/2016

November 10, 2016

The Asst. Vice President,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051
Fax :No. 022 - 26598237/8
Scrip Code: XCHANGING

Department of Corporate Services – CRD
BSE Limited,
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001
Fax No. 022 - 22723121
Scrip Code: 532616

Sub: Outcome of the Board Meeting
Ref: Regulation 30 & other applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to inform you that the Board of Directors of the Company at their Meeting held today, November 10, 2016 have, inter-alia, considered the following:-

1. Approved the unaudited standalone financial results for the quarter & nine months ended September 30, 2016.

We are enclosing herewith the copy of the un-audited financial results of the Company along with Limited Review Report of the Statutory Auditor.

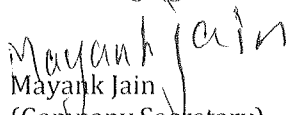
2. Took note of the resignation of Mr. Alok Kumar Sinha as Chief Executive Officer cum Whole Time Director (Executive Director) from the Company November 10, 2016 (close of business hours);
3. Approved the appointment of Mr. Srikrishna Madhavan as Chief Executive Officer cum Managing Director (Executive Director) of the Company w.e.f. November 11, 2016;

The meeting of the Board commenced at 4:00 PM (IST) and concluded at 5:30 PM (IST).

You are kindly requested to take the above information on record.

Thanking You,

Yours Sincerely,
For Xchanging Solutions Limited


Mayank Jain
(Company Secretary)
Membership No: A26620



Address: SJR-I-Park No. 13, 14, 15
EPIP Industrial Area, Phase-1, Whitefield
Bangalore, Karnataka-560066

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF
INTERIM FINANCIAL RESULTS TO THE BOARD OF DIRECTORS OF
XCHANGING SOLUTIONS LIMITED**

Tel: +91 (044) 6688 5000
Fax: +91 (044) 6688 5050

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Xchanging Solutions Limited** ("the Company") for the quarter and nine months ended September 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw your attention to:

Note 5 of the statement, in relation to overdue receivable amounting to Rs. 960 Lakhs which is withheld by a customer, pending certain dispute raised by them during the March 2016 quarter. The dispute is subject to arbitration process. The Management is making efforts for collection of dues. Based on the assessment of the Company the receivable is considered good and recoverable.

Our report is not qualified in respect of the above matter.

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



Bhavani Balasubramanian
Partner
(Membership No. 22156)

Chennai, November 10, 2016

Xchanging Solutions Limited
 Xchanging Tower, SJRI Park, Opp. Salye Sai Hospital, 13,14,15, EPF Park, Whitefield, Bangalore-560066
 CIN: L72200KA2002PLC030072
 Tel.: +91 80 3054 0000; Fax: +91 80 4115 7394
 Email: info@xchanging.com Website: www.xchanging.com

Statement of Standalone Unaudited Results for the quarter and nine months ended 30/09/2016 (in lakhs)						
Sl. No.	Particulars	Quarter ended 30/09/2016	Preceding quarter ended 30/06/2016	Corresponding quarter ended 30/09/2015 in the previous year	Year to date figures for current period ended 30/09/2016	Year to date figures for previous period ended 30/09/2015
	(Refer Notes Below)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1.	Income from operations					
	Net sales/ income from operations	1,818	1,874	3,288	6,269	9,094
	Total Income from operations (net)	1,818	1,874	3,288	6,269	9,094
2.	Expenses					
a)	Employee benefits expenses	1,293	1,573	1,535	4,488	4,897
b)	Project work expenses	64	101	324	341	897
c)	Exchange loss / (gain)	122	(5)	(121)	151	(121)
d)	Depreciation and amortisation expense	44	82	83	171	296
e)	Other expenses	718	691	759	2,015	2,182
	Total Expenses	2,241	2,422	2,580	7,164	8,131
3.	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(423)	(448)	708	(895)	963
4.	Other income	225	179	248	509	784
5.	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(197)	(269)	956	(296)	1,727
6.	Finance costs	4	3	5	10	15
7.	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(201)	(272)	951	(306)	1,712
8.	Exceptional items (Gain) / Loss	-	-	-	-	-
9.	Profit / (Loss) from ordinary activities before tax (7-8)	(201)	(272)	951	(306)	1,712
10.	Tax expense / (credit)	(2)	(11)	323	120	679
11.	Net Profit / (Loss) for the period (9-10)	(199)	(261)	628	(426)	1,033
12.	Paid up equity share capital (Face value per share Rs 10/-)	11,140	11,140	11,140	11,140	11,140
13.	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year (includes debit balance of profit & loss a/c, if any)					
14.	Earning / (Loss) per share (of Rs 10/- each) (not annualised)					
(a)	Basic	(0.18)	(0.23)	0.56	(0.38)	0.93
(b)	Diluted	(0.18)	(0.23)	0.56	(0.38)	0.93

Notes to above results :

- The above financial results of Xchanging Solutions Limited (the Company) have been reviewed and recommended by the Audit Committee, and approved by the Board of Directors on November 10, 2016 and a limited review has been carried out by the statutory auditors of the Company.
- The Company has only one primary segment viz., Information Technology (IT) services and accordingly the above results relate to this segment.
- On August 1, 2002, the Company issued 1,500,000, 11% debentures of face value of Rs. 100 each. The debentures were repayable at par at the end of five years from the date of issuance. Based on the orders of the Debt Recovery Tribunal, the Company had issued duplicate debenture certificates for 625,000 debentures in favour of a Bank and these debentures were redeemed in June 2007. Post redemption of those debentures, a civil suit was filed against the Company by Third Party claiming rights over the said 625,000 debentures. On the basis of an interim application filed by the Third Party, the Hon'ble High Court passed an Interim Order in restraining the Company from reflecting the redemption of debentures and directing the Company to continue to show it as due and payable. The Hon'ble Madras High Court vide order dated September 28, 2016 dismissed the suit filed by the said Third Party and also set aside the interim order.
- In the ordinary course of business, the Company is subject to legal proceedings, claims and litigation. Xchanging Solutions Limited and its USA subsidiary, Xchanging Solution USA Inc., ("XSUI") was a defendant in a claim for an unspecified amount alleging a breach of warranties in the USA. The claim was based on a contract that was awarded to XSUI in 2006 and was subsequently sold by XSUI in 2007 to the claimant. The Court has vide order dated October 20, 2016 dismissed the claim filed against the Company.
- During the quarter ended March 31, 2016, one of the customers of the Company has disputed its outstanding balance of INR 960 lakhs as on March 31, 2016. The agreement with the customer provides for arbitration in the event of any dispute. The arbitration has commenced in July 2016 and at this time it is not possible to make a reliable estimate of the final outcome and the consequent impact on the results for the current quarter. However, management has assessed that the outcome will be in the favour of the company and the receivable is considered good and recoverable.
- CSC Computer Sciences International Operations Limited ("Acquirer"), along with persons acting in concert - Computer Sciences Corporation ("CSC"), CSC Technologies India Private Limited ("CSC India"), and, Computer Sciences Corporation India Private Limited ("CSC IPL", and, collectively CSC, CSC India and CSC IPL are referred to as "PACs") had rejected the discovered price of INR 109/- per equity share, pursuant to which the Delisting Offer is deemed to have failed in terms of regulation 19(1) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. Accordingly, the Acquirer and PACs resumed the mandatory Open Offer in terms of regulation 5A of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The mandatory Open Offer is pending regulatory approvals. The final schedule for the mandatory Open Offer shall be finalized and published once all regulatory approvals are received by the Acquirer and the PACs.
- The Board of Directors of the Company in their meeting held on August 11, 2016 have extended the current financial year of the Company up to a period of 15 months i.e. January 1, 2016 to March 31, 2017. Subsequently, each financial year of the Company shall commence on 1st April and end on 31st March every year.
- The above results has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- The amounts for the previous periods have been reclassified wherever necessary to conform to the current period presentation.

Place : Bengaluru, India
 Date : November 10, 2016



By Order of the Board of Directors

Alok K Sinha
 Alok K Sinha
 Chairman, Executive Director and
 Chief Executive Officer

