

xchanging.com

XSL/SE/2016

May 13, 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
Bombay Stock Exchange 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, in their meeting held on 12th day of May, 2015 which was adjourned to 13th May, 2016, have considered and approved un-audited financial results for the 1st quarter ended March 31, 2016.

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

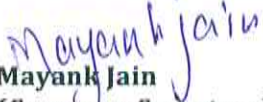
The meeting of the Board which commenced at 12th May, 2016 at 4:30 PM (IST) was adjourned to 13th May, 2016. Further the adjourned Board Meeting commenced at 1:15 PM (IST) and concluded at 3:15 PM (IST).

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

Price Waterhouse Chartered Accountants LLP

The Board of Directors
Xchanging Solutions Limited
SJR I-Park Plot No. 13, 14, 15
EPIP Industrial Area, Phase I, Whitefield
Bangalore - 560 066

1. We have reviewed the unaudited financial results of Xchanging Solutions Limited (the "Company") for the quarter ended March 31, 2016 which are included in the accompanying 'Statement of Standalone Unaudited Results for the Quarter Ended 31/03/2016' (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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.
3. 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.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to:
 - (a) Note 3 of the Statement, regarding redemption of certain debentures, aggregating to Rs. 62,500,000, by the Company in the year 2007; subsequent order of the Hon'ble High Court of Adjudicator at Madras restraining the Company from reflecting the redemption of debentures and to continue to show it as due and payable consequent to a petition filed by a third party; and non-reversal of the aforesaid redemption of debentures in the books of account of the Company pending admission and disposal of the appeal filed by the Company with the Hon'ble High Court of Adjudicator at Madras on July 26, 2011. Depending on the outcome of the Company's appeal, significant adjustments may be required to be made and reflected in the subsequent period financial reporting.



Price Waterhouse Chartered Accountants LLP, Building No. 8, 7th & 8th Floor, Tower - B, DLF Cyber City
Gurgaon - 122 002

T: +91 (124) 4620000, 3060000, F: +91 (124) 4620620

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

AUDITORS' REPORT

To the Board of Directors of Xchanging Solutions Limited

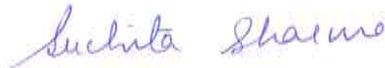
Limited Review Report on the Statement of Standalone Unaudited Results for the Quarter Ended 31/03/2016

Page 2 of 2

- (b) Note 5 of the statement, in relation to overdue receivable amounting to Rs. 96,014,922 from a customer. The Management is making efforts for collection of dues. However, the same is withheld by the customer pending certain dispute raised by them during the current quarter and confirmed subsequently. The dispute is subject to arbitration process and pending completion of the process we are unable to comment on the impact, if any, on the financial results.

Our conclusion is not qualified in respect of above matters.

For Price Waterhouse Chartered Accountants LLP
(FRN012754N/N500016)



Suchita Sharma

Partner

Membership Number: 073897

Place: Gurgaon

Date: May 13, 2016



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



PART I					(Rs in lakhs)	
Statement of Standalone Unaudited Results for the Quarter Ended 31/03/2016						
Sl. No.	Particulars	Quarter ended 31/03/2016	Preceding quarter ended 31/12/2015	Corresponding quarter ended 31/03/2015 in the previous year	Year ended 31/12/2015	
	(Refer Notes Below)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1.	Income from operations					
	Net sales/ Income from operations	2,476	2,996	2,857	12,090	
2.	Total Income from operations (net)	2,476	2,996	2,857	12,090	
	Expenses					
	a) Employee benefits expenses	1,620	1,553	1,743	6,450	
	b) Project work expenses	176	313	320	1,210	
	c) Exchange loss / (gain)	34	(15)	289	(136)	
	d) Depreciation and amortisation expense	65	93	114	389	
	e) Other expenses	606	754	739	2,916	
	Total expenses	2,501	2,698	3,185	10,829	
3.	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(25)	298	(328)	1,261	
4.	Other Income	195	303	226	1,067	
5.	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	170	601	(102)	2,328	
6.	Finance costs	3	4	5	19	
7.	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	167	597	(107)	2,309	
8.	Exceptional items (Gain) / Loss	-	-	-	-	
9.	Profit / (Loss) from ordinary activities before tax (7-8)	167	597	(107)	2,309	
10.	Tax expense / (credit)	133	266	(32)	945	
	Net Profit / (Loss) for the period (9-10)	34	331	(75)	1,364	
12.	Paid up equity share capital (Face Value per Share Rs 10/-)	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	0.03	0.30	(0.07)	1.22	
	(b) Diluted	0.03	0.30	(0.07)	1.22	

Atok Bule



Notes to above results :

1. 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 May 13, 2016 and a limited review has been carried out by the statutory auditors of the Company.
2. The Company has only one primary segment viz., Information Technology (IT) services and accordingly the above results relate to this segment.
3. 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 these debentures, a civil suit was filed against the Company by Third Party claiming rights over the said 625,000 debentures. Decision on this suit is still pending before Hon'ble Madras High Court. 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 redeeming the redemption of debentures and directing the Company to continue to show it as due and payable. The Company has filed an appeal against the interim order, pending which no adjustment has been made in these accounts.
4. 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") is currently a defendant in a claim for an unspecified amount alleging a breach of warranties in the USA. The claim in question relates to a contract that was awarded to XSUI in 2006 and was subsequently sold by XSUI in 2007 to the claimant. The litigation is a fact intensive case for which the fact discovery and proceedings are ongoing in USA. Based on the facts produced and reviewed to date and legal advice thereon, the Company believes it is not probable that the claim will be successful. Therefore, no provision is required to be made at this stage.
5. Subsequent to the current period, 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 will commence in due course 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 believes that the outcome will be in the favour of the company.
6. CSC Computer Sciences International Operations Limited along with its person acting in concert ("CSC") has announced on May 5, 2016, the completion of acquisition of Xchanging plc (Ultimate parent company of the Company). As a result CSC indirectly control 75% of the equity shares of the Company. A letter dated May 5, 2016, has been received by the Company from CSC, expressing their intention to launch an offer to voluntarily delist the Company's equity shares from the BSE Limited and National Stock Exchange of India Limited by acquiring all equity shares held by the public shareholders of the Company in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 read with the Securities and Exchange Board of India (Delisting of Equity Shares), Regulations 2009 ("Delisting Regulations") and other applicable provisions of law. The Board in its meeting held on May 11, 2016 have noted and placed on record the letter received from CSC and further appointed a Merchant Banker to provide a due diligence report on delisting as required under the Delisting Regulations.
7. The amounts for the previous periods have been reclassified wherever necessary to conform to the current period presentation.



By Order of the Board of Directors


Alok K Sinha
Executive Director &
Chief Executive Officer

Place : Gurgaon

Date : May 13, 2016