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XSL/SE/2014

Nov 7, 2014

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

Department of Corporate Services -
CRD
Bombay Stock Exchange Limited,
Floor 25, Phiroze Jeejeebhoy
Towers, Dalal Street
MUMBAI - 400 001
Fax No. 022 – 22723121

Dear Sir,

Sub: Outcome of the Board Meeting

With reference to the subject mentioned above, we hereby write to inform you that the Board of Directors of the Company in its meeting held today, November 7, 2014, Inter alia, has considered and approved the following:

1. Unaudited financial results of the Company for the quarter ended September 30, 2014
2. Reduction of share capital by return of Rs. 4.50/- per share to the shareholders of the Company thereby reducing the nominal value of the shares from Rs.10 to Rs.5.50 per share, subject to the approval of the regulatory authorities, shareholders and the High Court of Karnataka.
3. Appointed Mr. Alok Kumar Sinha as whole time director and as Chief Executive Officer of Xchanging Solutions Limited, the Indian listed subsidiary of Xchanging Plc., replacing Mr. Kenneth Lever. This change reflects the decision to increase the number of local directors. Mr. Kenneth Lever continues to be the Chief Executive Officer of Xchanging Plc., and there is no change in his role as director and CEO of Xchanging Plc.
4. The change in the designation of Mr. David Bauernfeind from whole time director to non-executive director and appointment of Mr. David Bauernfeind as Chairman of the Company.

The current composition of the Board of Directors of the Company is as follows:

1. Mr. David Bauernfeind – Chairman
2. Mr. Alok Kumar Sinha – whole time director & Chief Executive Officer



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3. Mr. Ashok Kumar – Independent Director
4. Mr. Henry D'Souza – Independent Director

It may be noted that the current composition of the Board of Directors is in accordance with the Clause 49(1A) of the Listing Agreement. This is for your information and records.

Thanking you,

Yours faithfully,
for Xchanging Solutions Limited

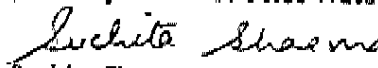


Vijayamahantesh V. Khannur
Company Secretary

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

1. We have reviewed the results of Xchanging Solutions Limited (the "Company") for the quarter ended September 30, 2014 which are included in the accompanying 'Statement of Standalone Unaudited Results for the Quarter Ended 30/09/2014' (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management but have neither been reviewed nor been audited by us. The Statement has been prepared by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges in India, which has been initialled by us for identification purposes. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors/ Committee of 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 financial statements are 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. We have only traced the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' in the Statement from the disclosures made by the Management and are, therefore, not expressing a review opinion thereon.
5. 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 notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw your attention to Note 3 on 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. Our conclusion is not qualified in this respect.

For Price Waterhouse Chartered Accountants LLP
(FRN 012754N/N500016)
(formerly known as Price Waterhouse)


Suchita Sharma
Partner
Membership Number: 073897

Place: Gurzaon
Date: November 7, 2014

Widening Tower, Ltd (Pvt), Opp. Sanyal Hospital, 12/14/15, EPIP Park, Uttarakhand, Dehradun-248005



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Statement of Extraordinary Dividend Liability for the Quarter Ended 30/09/2014

(Rs. in Lakhs)

Sl. No.	Particulars	3 months ended 30/09/2014	Preceding 3 months ended 30/09/2014	Corresponding 3 months ended 30/09/2013 in the previous year	Year to date figure for current period ended 30/09/2014	Year to date figure for previous period ended 30/09/2013	Previous year ended 31/03/2013
1	Income from operations Net sales Income from operations Total Income from operations (P+Q)	3,283 3,283	4,028 4,028	2,341 2,341	11,396 11,396	6,186 6,186	17,281 17,281
2	Expenses a) Employee benefits expenses b) Project cost expenses c) Exchange loss / (gain) d) Depreciation and amortisation expenses e) Other expenses Total Expenses (R+S)	2,591 2,591 80 81 108 927 3,486	2,012 2,012 547 (115) 103 787 2,308	1,631 1,631 140 (450) 111 706 2,208	6,477 6,477 4,568 136 304 10,885	4,306 4,306 406 (707) 317 4,307	6,406 6,406 523 (777) 634 6,156
3	Profit from operations before other Income, Dividend Income and exceptional Items (T-U)	187	721	648	5,609	1,879	1,125
4	Other Income	187	291	550	545	1,327	1,587
5	Profit from ordinary activities before taxes and exceptional Items (P+Q)	478	817	949	1,571	407	1,143
6	Tax on cash	478	817	949	1,571	407	1,143
7	Profit from ordinary activities after taxes (V)	0	0	0	0	0	0
8	Considered Items (W+X) / Loss	1,750	409	114	1,750	2,812	1,185
9	Profit (or) Loss (Y) from ordinary activities before tax (P+Q)	1,750	409	114	1,750	2,812	1,185
10	7 to surplus	546	409	386	1,750	1,423	1,185
11	Net Profit (Z) / Loss (Z) for the period (P+Y)	546	409	386	1,750	1,423	1,185
12	Profit up to equity share capital from sales per share (P+Y)	546	409	386	1,750	1,423	1,185
13	Reserve including Dividend (or) Reserve to pay balance sheet of previous accounting year (P+Z) (A+B+C+D+E+F+G+H+I+J+K+L+M+N+O+P+Q+R+T+U+V+W+X+Y+Z)	11,140	11,140	11,140	11,140	11,140	11,140
14	Dividend (A+B+C+D+E+F+G+H+I+J+K+L+M+N+O+P+Q+R+T+U+V+W+X+Y+Z)	4,500	6,411	6,360	9,877	8,564	8,000
	(A) Cash	4,500	6,411	6,360	9,877	8,564	8,000
	(B) Dividend	0	0	0	0	0	0

PART B

Statutory Information for the Quarter ended 30/09/2014

Particulars	3 months ended 30/09/2014	Preceding 3 months ended 30/09/2013	Corresponding 3 months ended 30/09/2013 in the previous year	Year to date figures for current period ended 30/09/2014	Year to date figures for previous period ended 30/09/2013	Previous year ended 30/09/2013
A. PARTICULARS OF SHAREHOLDERS						
1. Public Shareholding						
- Number of Shares	22,094,929	87,664,929	87,664,929	87,664,929	87,664,929	22,094,929
- Percentage of shareholding	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
2. Promoters and promoter group Shareholding						
a. Pledged / Encumbered	-	-	-	-	-	-
- Number of Shares	-	-	-	-	-	-
- Percentage of shareholding (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of the total share capital of the Company)	-	-	-	-	-	-
b. Non Encumbered						
- Number of Shares	42,550,747	62,542,707	62,550,747	62,549,707	64,169,707	10,368,734
- Percentage of shareholding (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total shareholding of the total share capital of the Company)	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
B. PARTICULARS OF DEBTS						
1. Payable at the beginning of the quarter	36	36	36	36	36	36
2. Payable during the quarter	36	36	36	36	36	36
3. Payable at the end of the quarter	36	36	36	36	36	36

Notes to above tables:

1. The above financial results of Cambridge Software (India) (the Company) have been reviewed and recommended by the Audit Committee, and approved by the Board of Directors on November 7, 2014, and a final review has been carried out by the statutory auditors of the Company.
2. The Board of Directors, in their meeting held on November 7, 2014, has approved a resolution of share capital by way of issuing the normal value of equity shares of the Company from Rs. 10 per share to Rs. 5.50 per share, subject to the approval of the shareholders, regulatory authorities and the High Court of Madras. On receipt of all required approvals the Company will issue Rs. 450 per share to all shareholders of the Company.
3. The Company has only one primary segment viz. Information Technology (IT) services and accordingly the above financial results to the segment.
4. On August 1, 2012, 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 ten years from the date of issuance, based on the expiry of the Debt Recovery Tribunal. The Company has based its shareholding certificate for 2013-2014 debentures in respect of a share and these debentures were redeemed in June 2014. From redemption of these debentures, 3,00,000 and were paid against the Company's Third Party share rights over the said 2013-2014 debentures. Decision on the said 3rd party shares between Madras High Court (Madras) on the basis of an application filed by the Third Party, the Madras High Court passed an interim Order in mandating the Company from redeeming the debentures of debentures and dividing the Company is continue as from 1st day and payable. The Company has filed an appeal against the interim order, pending which, no adjustment has been made in these accounts.
5. Exceptional item of Rs. 102 lakhs for the year ended December 31, 2013 related to reversal of provision for product of the security deposit made in prior years. Exceptional item of Rs. 120 lakhs for the quarter ended September 30, 2014 related to reversal of provision created in the prior years for an expense made by the Company, as the Company does not disclose any further item.
6. The results for the previous period have been reclassified where necessary to conform to the current period's presentation.

Place: London, United Kingdom
Date: November 7, 2014

By Order of the Board of Directors
David Kumar
Executive Director