Xchanging
Inspiring Innovation

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XSL/SE/2012

November 14, 2012

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

Sub: Unaudited Financial Results of the Company for the quarter and nine months ended September 30, 2012

With reference to the above subject, we would like to inform you that the Board of Directors, in its meeting held today, has approved the unaudited financial results of the Company for the quarter and nine months ended September 30, 2012.

We are enclosing herewith copy of the unaudited financial results of the Company for the quarter and nine months ended September 30, 2012 as per the format prescribed under Clause 41 of the Listing Agreement along with the Limited Review report by the Statutory Auditors thereon.

Thanking you,

Yours faithfully,
for XCHANGING SOLUTIONS LIMITED

Vijayamahantesh V. Khannur
Company Secretary

Xchanging Solutions Limited (Formerly, Cambridge Solutions Limited)
Xchanging Tower, SJR I Park, Opp. Satya Sai Hospital, 13,14,15, EPIP Park, Whitefield, Bangalore-560066

PART I

Statement of Standalone Unaudited Results for the Quarter and Nine Months Ended 30/09/2012 (Rs in lakhs)

	Particulars	3 months ended 30/09/2012	Preceding 3 months ended 30/06/2012	Corresponding 3 months ended 30/09/2011 in the previous year	Year to date figures for current period ended 30/09/2012	Year to date figures for the previous period ended 30/09/2011	Previous year ended 31/12/2011
	(Refer Notes Below)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	**Income from operations**						
	Net Sales/ Income from Operations	2,434	2,511	3,169	7,557	14,913	17,301
	Total Income from operations (net)	2,434	2,511	3,169	7,557	14,913	17,301
2.	**Expenses**						
	a) Employee benefits expense	1,417	1,566	1,983	4,443	7,907	9,274
	b) Project work expenses	66	61	137	191	478	565
	c) Exchange loss (net)	300	-	-	138	-	-
	d) Depreciation and amortisation expense	90	67	113	210	793	851
	e) Other expenses	545	508	694	1,587	3,377	3,955
	Total expenses	2,418	2,202	2,927	6,569	12,555	14,645
3.	**Profit from operations before other income, finance cost and exceptional items (1-2)**	16	309	242	988	2,358	2,656
4.	Other income	99	455	824	495	847	1,307
5.	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	115	764	1,066	1,483	3,205	3,963
6.	Finance Cost	5	5	49	15	336	342
7.	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	110	759	1,017	1,468	2,869	3,621
8.	Exceptional Items	-	-	(28,061)	-	12,466	15,588
9.	**Profit (+) / Loss (-) from ordinary activities before tax (7-8)**	110	759	29,078	1,468	(9,597)	(11,967)
10.	Tax expense	83	358	-	590	204	988
11.	**Net Profit (+) / Loss (-) for the period (9-10)**	27	401	29,078	878	(9,801)	(12,955)
12.	Paid up equity share capital (Face Value per Share Rs 10/-)	11,140	11,140	11,140	11,140	11,140	11,140
13.	Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year (includes debit balance of profit & loss a/c, if any)	-	-	-	-	-	2,827
14.	Earning / (Loss) Per Share (of Rs.10/-each) (not annualised)						
	(a) Basic	0.02	0.36	26.10	0.79	(8.80)	(11.63)
	(b) Diluted	0.02	0.36	26.10	0.79	(8.80)	(11.63)

PART II

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(Rs in lakhs)

Select Information for the Quarter and Nine Months ended 30/09/2012

	Particulars	3 months ended 30/09/2012	Preceding 3 months ended 30/06/2012	Corresponding 3 months ended 30/09/2011 in the previous year	Year to date figures for current period ended 30/09/2012	Year to date figures for the previous period ended 30/09/2011	Previous year ended 31/12/2011
A	PARTICULARS OF SHAREHOLDING						
1.	Public shareholding						
	- Number of Shares	27,164,552	27,164,552	27,164,552	27,164,552	27,164,552	27,164,552
	- Percentage of shareholding	24.38%	24.38%	24.38%	24.38%	24.38%	24.38%
2.	Promoters and promoter group Shareholding						
	a. Pledged / Encumbered						
	-Number of Shares	-	-	-	-	-	-
	-Percentage of shares (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	84,239,164	84,239,164	84,239,164	84,239,164	84,239,164	84,239,164
	-Percentage of shares (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)	75.62%	75.62%	75.62%	75.62%	75.62%	75.62%

	Particulars	3 months ended 30/09/2012
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	1
	Disposed of during the quarter	1
	Remaining unresolved at the end of the quarter	Nil

Segment Reporting

Segment-wise Revenue, Results and Capital Employed

(Rs in lakhs)

Particulars	3 months ended 30/09/2012	Preceding 3 months ended 30/06/2012	Corresponding 3 months ended 30/09/2011 in the previous year	Year to date figures for current period ended 30/09/2012	Year to date figures for the previous period ended 30/09/2011	Previous year ended 31/12/2011
(Refer Notes Below)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Segment Revenue						
IT	2,434	2,511	2,329	4,945	6,819	9,207
BPO	-	-	845	-	8,129	8,129
Total	2,434	2,511	3,174	4,945	14,948	17,336
Less: Inter-segment revenue	-	-	5	-	35	35
Net Income from operations	2,434	2,511	3,169	4,945	14,913	17,301
Segment Results Profit(+)/Loss(-) before Exceptional, Prior period, Tax and interest from each segment						
IT	21	691	754	1,236	913	1,400
BPO	-	-	257	-	2,237	2,436
Total	21	691	1,011	1,236	3,150	3,836
Less: Inter-segment profit	-	-	-	-	-	-
Net segment results	21	691	1,011	1,236	3,150	3,836
Exceptional and prior period items						
IT	-	-	-	-	-	-
BPO	-	-	-	-	-	-
Total	-	-	-	-	-	-
Segment Results Profit(+)/Loss(-) before Tax and interest from each segment						
IT	21	691	754	1,236	913	1,400
BPO	-	-	257	-	2,237	2,436
Total	21	691	1,011	1,236	3,150	3,836
Less: Inter-segment profit	-	-	-	-	-	-
Net segment results	21	691	1,011	1,236	3,150	3,836
Less: Unallocable items						
Exceptional and prior period items	-	-	(28,061)	-	12,466	15,588
Interest Expense	5	5	49	15	336	342
Other Income	(94)	(73)	(55)	(247)	(55)	(127)
Total Profit/(Loss) Before Tax in Segment Reporting	110	759	29,078	1,468	(9,597)	(11,967)
Capital Employed						
(Segment Assets-Segment Liabilities)						
IT	14,845	14,818	5,661	14,845	5,661	13,968
BPO	-	-	-	-	-	-
Unallocated	-	-	11,460	-	11,460	-
Total	14,845	14,818	17,121	14,845	17,121	13,968

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Notes to above results :

(Rs in lakhs)

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 November 14, 2012, and a limited review has been carried out by the statutory auditors of the Company .

2. During the previous year, Business Process Outsourcing ("BPO") segment of the Company has been disposed of. Currently, the Company has only one segment - Information Technology and related services ("IT") and accordingly the results for quarter ended September 30,2012 relate to this segment. Up to the year ended December 31, 2011, the Company was organised into two business segments, viz., IT and BPO.

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 reflecting 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 accordance with Accounting Standard 15 "Employee Benefits", the Company has been providing for compensated absences/ leave encashment based on valuation performed by an independent actuary. The Company has amended its leave policy that impacts the carry forward leave balance of employees, and carried out an actuarial valuation based on the amended leave policy, which has resulted in the reduction of provision as at the nine months period end by Rs.206.25 lakhs. This reduction has been treated as reversal of the provision on account of amendment to the leave policy and has been included under "Other income" in the results for the nine months ended September 30, 2012.

5. The amounts for the previous year have been reclassified wherever necessary to conform to the current year's presentation.

By Order of Board

David Bauernfeind
Executive Director

Place : London, United Kingdom
Date : November 14, 2012

The Board of Directors
Xchanging Solutions Limited
SJR I-Park Plot 13, 14, 15
EPIP Industrial Area, Phase I, Whitefield
Bangalore-560 066.

1. We have reviewed the results of Xchanging Solutions Limited (formerly known as Cambridge Solutions Limited) (the "Company") for the quarter ended September 30, 2012 which are included in the accompanying "Statement of Standalone Unaudited Results for the Quarter and Nine Months Ended September 30, 2012", 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 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 adjudicature 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 adjudicature 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 opinion is not qualified in this respect.

For Price Waterhouse & Co
Firm Registration Number: 007567S
Chartered Accountants

Shivakumar Hegde
Partner
Membership Number: 204627

Place: Bangalore
Date: November 14, 2012