

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

PART I (Rs in lakhs)

Statement of Standalone Unaudited Results for the Quarter Ended 30/06/2015

Sl. No.	Particulars	Quarter ended 30/06/2015	Preceding quarter ended 31/03/2015	Corresponding quarter ended 30/06/2014 in the previous year	Year to date figures for current period ended 30/06/2015	Year to date figures for previous period ended 30/06/2014	Previous year ended 31/12/2014
	(Refer Notes Below)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Income from operations						
	Net sales/ Income from operations	2,949	2,857	4,023	5,806	7,542	14,958
	Total Income from operations (net)	2,949	2,857	4,023	5,806	7,542	14,958
2.	Expenses						
	a) Employee benefits expenses	1,625	1,737	1,748	3,362	3,720	7,365
	b) Project work expenses	253	320	811	573	1,217	2,422
	c) Exchange loss / (gain)	(269)	269	(118)	-	45	143
	d) Depreciation and amortisation expense	99	114	100	213	204	450
	e) Other expenses	664	739	761	1,403	1,625	4,076
	Total Expenses	2,372	3,179	3,302	5,551	6,811	14,456
3.	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	577	(322)	721	255	731	502
4.	Other income	296	220	207	516	369	1,414
5.	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	873	(102)	928	771	1,100	1,916
6.	Finance costs	5	5	5	10	10	20
7.	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	868	(107)	923	761	1,090	1,896
8.	Exceptional items (Gain) / Loss	-	-	-	-	-	515
9.	Profit / (Loss) from ordinary activities before tax (7-8)	868	(107)	923	761	1,090	1,381
10.	Tax expense / (credit)	388	(32)	465	356	562	659
11.	Net Profit / (Loss) for the period (9-10)	480	(75)	458	405	528	722
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.	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year (includes debit balance of profit & Earning / (Loss) per share (of Rs 10/- each) (not annualised)						6,347
14.	Earning / (Loss) per share (of Rs 10/- each) (not annualised)						
	(a) Basic	0.43	(0.07)	0.41	0.36	0.47	0.65
	(b) Diluted	0.43	(0.07)	0.41	0.36	0.47	0.65

PART II

Select Information for the Quarter ended 30/06/2015

	Particulars	Quarter ended 30/06/2015	Preceding quarter ended 31/03/2015	Corresponding quarter ended 30/06/2014 in the previous year	Year to date figures for current period ended 30/06/2015	Year to date figures for previous period ended 30/06/2014	Previous year ended 31/12/2014
A	PARTICULARS OF SHAREHOLDING						
1.	Public shareholding						
	- Number of Shares	27,850,929	27,850,929	27,850,929	27,850,929	27,850,929	27,850,929
	- Percentage of shareholding	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
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	83,552,787	83,552,787	83,552,787	83,552,787	83,552,787	83,552,787
	-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)	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%

	Particulars	Quarter ended 30/06/2015
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	2
	Received during the quarter	1
	Disposed off during the quarter	3
	Remaining unresolved at the end of the quarter	Nil

Xchanging Solutions Limited		(Rs in lakhs)	
Standalone Statement of Assets and Liabilities Particulars	As at current half year end 30/06/2015	As at previous year 31/12/2014	
	EQUITY AND LIABILITIES		
Shareholders' funds			
(a) Share capital	11,140	11,140	
(b) Reserves and surplus	6,752	6,347	
Sub-total - Shareholders' funds	17,892	17,487	
Non-current liabilities			
(a) Long-term borrowings	126	158	
(b) Other long-term liabilities	45	32	
(c) Long-term provisions	331	302	
Sub-total - Non-current liabilities	502	492	
Current liabilities			
(a) Trade payables	1,438	1,939	
(b) Other current liabilities	955	2,558	
(c) Short-term provisions	2,886	2,703	
Sub-total - Current liabilities	5,279	7,200	
TOTAL - EQUITY AND LIABILITIES	23,673	25,179	
ASSETS			
Non-current assets			
(a) Fixed assets	610	724	
(b) Non-current investments	5,186	5,186	
(c) Deferred tax assets	950	997	
(d) Long-term loans and advances	4,022	3,924	
(e) Other non-current assets	30	134	
Sub-total - Non-current assets	10,798	10,965	
Current assets			
(a) Trade receivables	4,075	5,084	
(b) Cash and bank balances	6,469	5,948	
(c) Short-term loans and advances	653	871	
(d) Other current assets	1,678	2,311	
Sub-total - Current assets	12,875	14,214	
TOTAL - ASSETS	23,673	25,179	

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 August 7, 2015 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 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.
- 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.
- Exceptional items for the previous year as per standalone results of the Company comprises of the following:
 - The Company has strategic gross investments amounting to Rs. 2,222 in Xchanging Solutions (Europe) Limited, UK, its wholly owned subsidiary. Based on assessment of diminution in the value of investments, the Company had made a provision of Rs. 1,534 in prior years. During the previous year ended December 31, 2014, the Company had reassessed the investments for impairment using discounted cash flow method and as a result of this assessment, the Company had created additional provision of Rs. 688 during the quarter ended December 31, 2014 against the investments towards diminution in value considering it to be "a decline other than temporary".
 - During the quarter ended September 30, 2014, the Company had reversed a provision of Rs. 173 created in the prior years for an onerous lease held by the Company as the Company did not anticipate any outflow. As a result of the same and the effect of provision created in the quarter ended December 31, 2014 as per 5(i) above, the net effect for the year ended December 31, 2014 was Rs. 515.
- 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 : Bengaluru, India
Date : August 7, 2015