

(Rs in lakhs)							
PART I							
Statement of Standalone Unaudited Results for the Quarter and six months ended 30/06/2016							
Sl. No.	Particulars	Quarter ended 30/06/2016	Preceding quarter ended 31/03/2016	Corresponding quarter ended 30/06/2015 in the previous year	Year to date figures for current period ended 30/06/2016	Year to date figures for previous period ended 30/06/2015	Year ended 31/12/2015
(Refer Notes Below)		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations						
	Not sales/ Income from operations	1,974	2,476	2,949	4,450	5,806	12,090
	Total Income from operations (net)	1,974	2,476	2,949	4,450	5,806	12,090
2	Expenses						
	a) Employee benefits expenses	1,573	1,620	1,625	3,193	3,362	6,450
	b) Project work expenses	101	176	253	277	573	1,210
	c) Exchange loss / (gain)	(5)	34	(269)	29	-	(136)
	d) Depreciation and amortisation expense	62	65	89	127	213	389
	e) Other expenses	606	666	664	1,297	1,403	2,916
	Total Expenses	2,422	2,501	2,372	4,923	5,551	10,829
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(448)	(25)	577	(473)	255	1,261
4	Other income	179	195	296	374	516	1,067
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(269)	170	873	(99)	771	2,328
6	Finance costs	3	3	5	6	10	19
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(272)	167	868	(105)	761	2,309
8	Exceptional items (Gain) / Loss	-	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7-8)	(272)	167	868	(105)	761	2,309
10	Tax expense / (credit)	(11)	133	388	122	356	945
11	Net Profit / (Loss) for the period (9-10)	(281)	34	480	(227)	405	1,364
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 & loss a/c, if any)	-	-	-	-	-	7,711
14	Earning / (Loss) per share (of Rs 10/- each) (not annualised)						
	(a) Basic	(0.23)	0.03	0.43	(0.20)	0.36	1.22
	(b) Diluted	(0.23)	0.03	0.43	(0.20)	0.36	1.22

Xchanging Solutions Limited		(Rs in lakhs)	
Standalone Statement of Assets and Liabilities			
Particulars		As at 30/06/2016	As at 31/12/2015
EQUITY AND LIABILITIES			
Shareholders' funds			
	(a) Share capital	11,140	11,140
	(b) Reserves and surplus	7,484	7,711
	Sub-total - Shareholders' funds	18,624	18,851
Non-current liabilities			
	(a) Long-term borrowings	66	91
	(b) Other long-term liabilities	46	36
	(c) Long-term provisions	329	342
	Sub-total - Non-current liabilities	441	469
Current liabilities			
	(a) Trade payables	1,291	1,173
	(b) Other current liabilities	696	661
	(c) Short-term provisions	2,957	2,943
	Sub-total - Current liabilities	4,944	4,777
	TOTAL - EQUITY AND LIABILITIES	24,049	24,096
ASSETS			
Non-current assets			
	(a) Fixed assets	370	479
	(b) Non-current investments	5,186	5,186
	(c) Deferred tax assets	735	703
	(d) Long-term loans and advances	4,159	4,100
	(e) Other non-current assets	251	110
	Sub-total - Non-current assets	10,701	10,578
Current assets			
	(a) Trade receivables	2,641	3,538
	(b) Cash and bank balances	7,487	8,357
	(c) Short-term loans and advances	469	284
	(d) Other current assets	2,751	1,359
	Sub-total - Current assets	13,348	13,518
	TOTAL - ASSETS	24,049	24,096



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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 August 11, 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 Honble Madras High Court. On the basis of an interim application filed by the Third Party, the Honble 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 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 has assessed that it is not probable that the claim will be successful. Therefore, no provision is considered necessary.
5. 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.
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 ("BSE") and National Stock Exchange of India Limited ("NSE") 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. Proposal for voluntary delisting of the equity shares of the Company from BSE & NSE ("delisting proposal") has been approved by the shareholders of the Company with requisite majority in terms of Regulation 8(1)(b) of the Delisting Regulations and the result for delisting proposal by postal ballot was announced on July 27, 2016. The Company has received in-principle approvals from the BSE and NSE on August 5, 2016 for the delisting of the equity shares from the respective Stock Exchanges.
7. 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.
8. The amounts for the previous periods have been reclassified wherever necessary to conform to the current period presentation.

Place : Bengaluru, India
Date : August 11, 2016



By Order of the Board of Directors


Alok K Sinha
Executive Director &
Chief Executive Officer