



Xchanging Solutions Limited
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PART I		Statement of Standalone Unaudited Results for the Quarter Ended 31/03/2016				(Rs in lakhs)	
Sl. No.	Particulars (Refer Notes Below)	Quarter ended 31/03/2016 (Unaudited)	Preceding quarter ended 31/12/2015 (Unaudited)	Corresponding quarter ended 31/03/2015 in the previous year (Unaudited)	Year ended 31/12/2015 (Audited)		
1.	Income from operations Net sales/ Income from operations	2,476	2,996	2,857	12,090		
2.	Total Income from operations (net) Expenses a) Employee benefits expenses b) Project work expenses c) Exchange loss / (gain) d) Depreciation and amortisation expense e) Other expenses Total expenses	2,476 1,620 176 34 65 606 2,501	2,996 1,553 313 (15) 93 754 2,698	2,857 1,743 320 269 114 739 3,185	12,090 6,450 1,210 (136) 389 2,916 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		
12.	Net Profit / (Loss) for the period (9-10)	34	331	(75)	1,364		
13.	Paid up equity share capital (Face Value per Share Rs 10/-) Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year (includes debit balance of profit & loss a/c, if any)	11,140	11,140	11,140	11,140		
14.	Earning / (Loss) Per Share (of Rs.10/-each) (not annualised) (a) Basic (b) Diluted	0.03 0.03	0.30 0.30	(0.07) (0.07)	7.711 1.22 1.22		

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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 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