

Xchanging Solutions Limited
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(in lakhs)							
Statement of Standalone Unaudited Results for the quarter and nine months ended 30/09/2016							
Sl. No.	Particulars	Quarter ended 30/09/2016	Preceding quarter ended 30/06/2016	Corresponding quarter ended 30/09/2015 in the previous year	Year to date figures for current period ended 30/09/2016	Year to date figures for previous period ended 30/09/2015	Year ended 31/12/2015
	(Refer Notes Below)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Income from operations						
	Net sales/ Income from operations	1,818	1,874	3,288	6,269	9,094	12,090
	Total Income from operations (net)	1,818	1,874	3,288	6,269	9,094	12,090
2.	Expenses						
a)	Employee benefits expenses	1,293	1,573	1,535	4,486	4,897	6,450
b)	Project work expenses	64	101	324	341	897	1,210
c)	Exchange loss / (gain)	122	(5)	(121)	151	(121)	(136)
d)	Depreciation and amortisation expense	44	82	83	171	296	389
e)	Other expenses	718	691	759	2,015	2,162	2,916
	Total Expenses	2,241	2,422	2,580	7,164	8,131	10,829
3.	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(423)	(448)	708	(895)	963	1,261
4.	Other income	225	179	248	509	764	1,067
5.	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(197)	(269)	956	(296)	1,727	2,328
6.	Finance costs	4	3	5	10	15	19
7.	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(201)	(272)	951	(306)	1,712	2,309
8.	Exceptional items (Gain) / Loss	-	-	-	-	-	-
9.	Profit / (Loss) from ordinary activities before tax (7-8)	(201)	(272)	951	(306)	1,712	2,309
10.	Tax expense / (credit)	(2)	(11)	323	120	679	945
11.	Net Profit / (Loss) for the period (9-10)	(199)	(261)	628	(426)	1,033	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	(0.18)	(0.23)	0.56	(0.38)	0.93	1.22
	(b) Diluted	(0.18)	(0.23)	0.56	(0.38)	0.93	1.22

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 November 10, 2016 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 those debentures, a civil suit was filed against the Company by Third Party claiming rights over the said 625,000 debentures. 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 Hon'ble Madras High Court vide order dated September 28, 2016 dismissed the suit filed by the said Third Party and also set aside the interim order.
- 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") was a defendant in a claim for an unspecified amount alleging a breach of warranties in the USA. The claim was based on a contract that was awarded to XSUI in 2006 and was subsequently sold by XSUI in 2007 to the claimant. The Court has vide order dated October 20, 2016 dismissed the claim filed against the Company.
- During the quarter ended March 31, 2016, one of the customers of the Company has disputed its outstanding balance of INR 950 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.
- CSG Computer Sciences International Operations Limited ("Acquirer"), along with persons acting in concert - Computer Sciences Corporation ("CSC"), CSC Technologies India Private Limited ("CSC India"), and, Computer Sciences Corporation India Private Limited ("CSC IPL", and, collectively CSC, CSC India and CSC IPL are referred to as "PACs") had rejected the discovered price of INR 109/- per equity share, pursuant to which the Delisting Offer is deemed to have failed in terms of regulation 19(1) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. Accordingly, the Acquirer and PACs resumed the mandatory Open Offer in terms of regulation 5A of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The mandatory Open Offer is pending regulatory approvals. The final schedule for the mandatory Open Offer shall be finalized and published once all regulatory approvals are received by the Acquirer and the PACs.
- The Board of Directors of the Company in their meeting held on August 11, 2016 have extended the current financial year of the Company up to a period of 15 months i.e. January 1, 2016 to March 31, 2017. Subsequently, each financial year of the Company shall commence on 1st April and end on 31st March every year.
- 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.
- The amounts for the previous periods have been reclassified wherever necessary to conform to the current period presentation.

Place : Bengaluru, India
 Date : November 10, 2016



By Order of the Board of Directors

Alok K Sinha
 Alok K Sinha
 Chairman, Executive Director and
 Chief Executive Officer

