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XSL/SE/2016

August 11, 2016

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  
**Scrip Code: XCHANGING**

Department of Corporate Services – CRD  
Bombay Stock Exchange Limited,  
Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001  
Fax No. 022 - 22723121  
**Scrip Code: 532616**

**Sub: Outcome of the Board Meeting held on 11th August, 2016**  
**Ref: Regulation 30 & other applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam

This is to inform you that the Board of Directors of the Company at their meeting held today, August 11, 2016, has *inter-alia*, considered and approved the following:

1. Unaudited financial results of the Company for the quarter & six months ended 30<sup>th</sup> June, 2016.

We are enclosing herewith the copy of the unaudited financial results of the Company, along with Limited Review Report of the Statutory Auditor.

2. Change of Financial year.

The financial year of the Company starting from January 1, 2016 to December 31, 2016 (12 Months) is hereby extended by additional 3 months comprising 15 months period ending March 31, 2017.

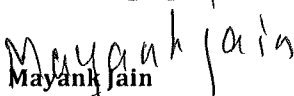
The next Financial Year i.e. 2017-18 of the Company shall be from 1st April 2017 to 31st March 2018 and thereafter the same shall be followed.

The meeting of the Board commenced at 3:00 PM (IST) and concluded at 4:15 PM (IST)

You are kindly requested to take the above information on record.

Thanking You,

Yours Sincerely,  
**For Xchanging Solutions Limited**

  
**Mayank Jain**  
**(Company Secretary)**  
**Membership No: - A26620**



**Address: - SJR I Park, Plot No.13, 14, 15,  
EPIP Industrial Area, Phase 1, Whitefield,  
Bangalore, Karnataka - 560066**

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM  
FINANCIAL RESULTS TO THE BOARD OF DIRECTORS OF  
XCHANGING SOLUTIONS LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Xchanging Solutions Limited** ("the Company") for the quarter and six months ended June 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, 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. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 Statement is free of material misstatement. 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.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw your attention to:
  - a) Note 2 of the Statement, regarding redemption of certain debentures, aggregating to Rs. 625 Lakhs, by the Company in the year 2007; On the basis of an interim application filed by the Third Party, the Hon'ble High Court passed an Interim Order in September 2007 restraining the Company from reflecting the redemption of debentures and directing the Company to continue to show it as due and

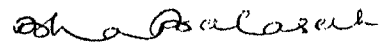


payable which Order was made absolute in December 2010. Admission and disposal of the appeal filed by the Company with the Hon'ble High Court of Adjudicator at Madras on July 26, 2011 is pending. Depending on the outcome of the Company's appeal, significant adjustments may be required to be made and reflected in the subsequent period financial reporting.

- b) Note 4 of the statement, in relation to overdue receivable amounting to Rs. 960 Lakhs from a customer. The Management is making efforts for collection of dues. However, the same is withheld by the customer pending certain dispute raised by them during the previous quarter. The dispute is subject to arbitration process and pending completion of the process we are unable to comment on the impact, if any, on the financial results.

Our report is not qualified in respect of the above matters.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

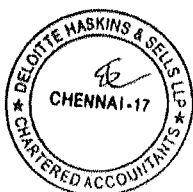


Bhavani Balasubramanian  
Partner  
(Membership No. 22156)

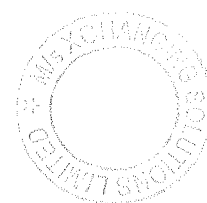
Chennai, August 11, 2016

PART I Statement of Standalone Unaudited Results for the Quarter and six months ended 30/06/2016							(Rs in lakhs)
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	1,974	2,476	2,949	4,450	5,806	12,090
	Net sales/ Income from operations	1,974	2,476	2,949	4,450	5,806	12,090
2.	Total Income from operations (net)						
	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	891	606	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)	(1)	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		As at	As at
Particulars		30/06/2016	31/12/2015
<b>EQUITY AND LIABILITIES</b>			
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	35
(c) Long-term provisions		323	342
Sub-total - Non-current liabilities		441	468
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
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>24,049</b>	<b>24,096</b>
<b>ASSETS</b>			
Non-current assets			
(a) Fixed assets		370	479
(b) Non-current investments		5,186	5,186
(c) Deferred tax assets		795	703
(d) Long-term loans and advances		4,159	4,100
(e) Other non-current assets		251	110
Sub-total - Non-current assets		10,761	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	264
(d) Other current assets		2,751	1,359
Sub-total - Current assets		13,348	13,518
<b>TOTAL - ASSETS</b>		<b>24,049</b>	<b>24,096</b>



*ahk*



**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 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 reallocating 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 have 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*  
Alok K Sinha  
Executive Director &  
Chief Executive Officer

