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XSL/SE/2017

May 30, 2017

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:** Revised Financial results  
**Ref:** Regulation 33 & other applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam

The Board of Directors of the Company at their meeting held on May 29, 2017 have considered and approved audited financial results of the Company for the financial period ended (fifteen Months period) March 31, 2017 and noted Auditors' Reports with unmodified opinion thereon, which as submitted to the stock exchanges immediately after the Board meeting.

Please find enclosed herewith standalone and consolidated financial results of the Company for the financial period ended (fifteen Months period) March 31, 2017 after some minor clerical changes in it.

We are also enclosing a declaration pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding unmodified opinion of the Statutory Auditors on the annual financial results for the financial period ended March 31, 2017 along with Reports of the Statutory Auditors.

You are requested to take the same on your records.

Thanking You,  
Yours Sincerely,  
**For Xchanging Solutions Limited**

*Mayank Jain*  
Mayank Jain  
Company Secretary



**Membership No. A26620**

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

Xchanging Solutions Limited  
Xchanging Tower, SJR I Park, Opp, Satya Sai Hospital, Plot No 13,14,15, EPIP Industrial Park, Phase 1, Whitefield, Bangalore-560066  
CIN: L72200KA2002PLC030072  
Tel.: +91 80 3054 0000; Fax: +91 80 4115 7394  
Email: info@xchanging.com Website: www.xchanging.com

(Rs in lakhs)						
Statement of Standalone Audited Financials Results for the Quarter and Period Ended 31/03/2017						
Sl. No.	Particulars	Quarter ended 31/03/2017 (Refer note 6)	Preceding quarter ended 31/12/2016	Corresponding quarter ended 31/03/2016 in the previous year	Period ended 31/03/2017 (15 months)	Year ended 31/12/2015
	(Refer Notes Below)	(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1.	Revenue					
	Revenue from operations	1,734	1,899	2,476	9,902	12,090
	Other income	294	181	195	1,074	1,203
	<b>Total Revenue</b>	<b>2,028</b>	<b>2,080</b>	<b>2,671</b>	<b>10,976</b>	<b>13,293</b>
2.	Expenses					
	Employee benefits expense	834	1,101	1,620	6,501	6,450
	Finance costs	3	2	3	15	19
	Depreciation and amortisation expense	46	63	65	280	389
	Other expenses	1,487	806	816	4,800	4,128
	<b>Total expenses</b>	<b>2,370</b>	<b>2,052</b>	<b>2,504</b>	<b>11,596</b>	<b>10,984</b>
3.	(Loss) / Profit before tax (1-2)	(342)	28	167	(620)	2,309
4.	Tax expense / (benefit)					
	Current tax expense	129	23	154	306	651
	Deferred tax	(217)	(8)	(21)	(259)	294
	<b>Net tax expense / (benefit)</b>	<b>(88)</b>	<b>15</b>	<b>133</b>	<b>47</b>	<b>945</b>
5.	(Loss) / Profit for the period (3-4)	(254)	13	34	(567)	1,364
6.	(Loss) / Earnings per Equity Share (of Rs.10 each) (not annualised)					
	Basic	(0.23)	0.01	0.03	(0.60)	1.22
	Diluted	(0.23)	0.01	0.03	(0.60)	1.22

Xchanging Solutions Limited Standalone Statement of Assets and Liabilities Particulars		(Rs in lakhs)	
		As at 31/03/2017 (Audited)	As at 31/12/2015 (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
	Share capital	11,140	11,140
	Reserves and surplus	7,037	7,711
	<b>Sub-total - Shareholders' funds</b>	<b>18,177</b>	<b>18,851</b>
<b>Non-current liabilities</b>			
	Long-term borrowings	46	91
	Other long-term liabilities	77	35
	Long-term provisions	317	342
	<b>Sub-total - Non-current liabilities</b>	<b>440</b>	<b>468</b>
<b>Current liabilities</b>			
	Trade payables	-	-
	a) total outstanding dues of micro enterprises and small enterprises	-	-
	b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,603	1,418
	Other current liabilities	611	416
	Short-term provisions	2,982	2,943
	<b>Sub-total - Current liabilities</b>	<b>5,196</b>	<b>4,777</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>23,813</b>	<b>24,096</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
	Property, plant & equipment	191	459
	Intangible assets	13	20
	Non-current investments	5,186	5,186
	Deferred tax assets (net)	962	703
	Long-term loans and advances	3,900	4,100
	Other non-current assets	136	112
	<b>Sub-total - Non-current assets</b>	<b>10,388</b>	<b>10,580</b>
<b>Current assets</b>			
	Current investments	10,099	-
	Trade receivables	1,903	3,538
	Cash and cash equivalents	273	8,357
	Short-term loans and advances	308	264
	Other current assets	842	1,357
	<b>Sub-total - Current assets</b>	<b>13,425</b>	<b>13,516</b>
	<b>TOTAL - ASSETS</b>	<b>23,813</b>	<b>24,096</b>



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(Rs in lakhs)						
Statement of Consolidated Audited Financials Results for the Quarter and Period Ended 31/03/2017						
Sl. No.	Particulars	Quarter ended 31/03/2017	Preceding quarter ended 31/12/2016	Corresponding quarter ended 31/03/2016 in the previous year	Period ended 31/03/2017 (15 months)	Year ended 31/12/2015
	(Refer Notes Below)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1.	Revenue					
	Revenue from operations	6,164	5,659	6,596	30,727	27,948
	Other income	546	187	221	1,390	1,521
	Total Revenue	6,710	5,846	6,917	32,117	29,469
2.	Expenses					
	Employee benefits expense	3,426	3,347	4,507	19,206	17,101
	Finance costs	3	2	3	15	19
	Depreciation and amortisation expense	50	68	72	305	420
	Other expenses	2,587	1,575	1,860	10,675	8,066
	Total expenses	6,066	4,992	6,442	30,201	25,606
3.	Profit before tax (1-2)	644	854	475	1,916	3,863
4.	Tax expense / (benefit)					
	Current tax expense	282	(14)	182	415	649
	Deferred tax	(217)	(8)	(211)	(259)	294
	Net tax expense / (benefit)	65	(22)	161	156	943
5.	Profit for the period (3-4)	579	876	314	1,760	2,920
6.	Earning per share (of Rs 10/- each) (not annualised)					
	Basic	0.52	0.79	0.28	1.58	2.62
	Diluted	0.52	0.79	0.28	1.58	2.62

Xchanging Solutions Limited		(Rs in lakhs)	
Consolidated Statement of Assets and Liabilities			
Particulars	As at		
	31/03/2017	31/12/2015	
	(Audited)	(Audited)	
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share capital	11,140	11,140	
Reserves and surplus	23,788	22,157	
Sub-total - Shareholders' funds	34,928	33,297	
Non-current liabilities			
Long-term borrowings	46	91	
Other long-term liabilities	77	35	
Long-term provisions	317	617	
Sub-total - Non-current liabilities	440	743	
Current liabilities			
Trade Payables			
a) total outstanding dues of micro enterprises and small enterprises	-	-	
b) total outstanding dues of creditors other than micro enterprises and small enterprises	5,485	3,280	
Other current liabilities	1,246	812	
Short-term provisions	3,012	3,095	
Sub-total - Current liabilities	9,743	7,187	
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>45,111</b>	<b>41,227</b>	
<b>ASSETS</b>			
Non-current assets			
Property, plant & equipment	215	495	
Intangible assets	15	22	
Goodwill on consolidation	15,841	15,841	
Deferred tax assets (net)	962	703	
Long-term loans and advances	4,284	4,331	
Other non-current assets	136	112	
Sub-total - Non-current assets	21,453	21,504	
Current assets			
Current investments	10,099	-	
Trade receivables	4,645	4,582	
Cash and cash equivalents	5,235	10,814	
Short-term loans and advances	570	557	
Other current assets	3,109	3,770	
Sub-total - Current assets	23,658	19,723	
<b>TOTAL - ASSETS</b>	<b>45,111</b>	<b>41,227</b>	



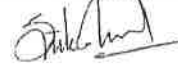
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Notes to above results :

1. The above financial results of Xchanging Solutions Limited (the Company) and its subsidiaries (the Group) have been reviewed and recommended by the Audit Committee and approved by the Board of Directors on May 29, 2017.
2. 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. 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. The Third Party has approached the Hon'ble Supreme Court against the said order of the Hon'ble Madras High Court. On January 20, 2017 the Hon'ble Supreme Court has issued notice to the Company. Based on the legal advice obtained, the company is of the opinion that no adjustments are considered necessary.
3. 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. Arbitration proceeding for this dispute is ongoing. However as a matter of abundant caution, provision has been made for the amounts due.
4. 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 April 1 and end on March 31 every year.
5. The Company has only one primary segment viz., Information Technology (IT) services and accordingly the above results relate to this segment.
6. The figures for the quarter ended March 31, 2017 are the balancing figures between the audited figures in respect of the fifteen months period and the published period to date figures upto the forth quarter of the respective period ended March 31, 2017.
7. Figures for the previous periods / year have been regrouped and reclassified, wherever necessary.

By Order of the Board of Directors



Srikrishna Madhavan  
Executive Director & Chief Executive Officer

Place : Bangalore  
Date : 29/05/2017



**INDEPENDENT AUDITORS' REPORT  
TO THE BOARD OF DIRECTORS OF  
XCHANGING SOLUTIONS LIMITED**

1. We have audited the accompanying Statement of Consolidated Financial Results of **XCHANGING SOLUTIONS LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the 15 months period ended 31 March, 2017 ("the Statement") being submitted by the Holding 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 Holding Company's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Holding Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - a. includes the results of the following entities:
    1. Xchanging Solutions (USA) Inc, USA ('XSUI, USA')
    2. Xchanging Solutions (Singapore) Pte Limited, Singapore ('XSSPL, Singapore')
    3. Xchanging Solutions (Europe) Limited, UK ('XSEL, UK')
    4. Xchanging Solutions (Malaysia) Sdn Bhd, Malaysia ('XSMSB, Malaysia')
    5. NexPLICIT Infotech India Private Limited, India ('NI IPL, India')



- b. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- c. gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Group for the 15 months period ended 31 March, 2017.
4. Attention is invited to Note 2 in the Statement, regarding redemption of certain debentures, aggregating to Rs. 625 Lakhs, by the Holding 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 Holding Company from reflecting the redemption of debentures and directing the Holding Company to continue to show it as due and payable which Order was made absolute in December 2010. 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. The Third Party has approached the Hon'ble Supreme Court against the said order of the Hon'ble Madras High Court. On January 20, 2017 the Hon'ble Supreme Court has issued notice to the Company. Based on the legal advice obtained, the Holding Company is of the opinion that no adjustments are considered necessary.

Our opinion is not qualified in respect of this matter.

5. The consolidated financial results includes the unaudited financial information of two subsidiaries incorporated outside India and one subsidiary incorporated in India whose financial information reflect total assets of Rs. 532 lakhs as at 31 March, 2017, total revenue of Rs. 38 lakhs and total loss after tax of Rs. 49 lakhs for the fifteen months period ended 31 March, 2017 as considered in the consolidated financial results. These financial information are unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the financial information certified by the Management.

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



**Bhavani Balasubramanian**  
Partner  
(Membership No. 22156)

**Bangalore, May 29, 2017**



## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF XCHANGING SOLUTIONS LIMITED

Chartered Accountants  
ASV N Ramana Tower  
52, Venkatnarayana Road  
T. Nagar, Chennai - 600 017  
India

Tel: +91 (044) 6688 5000  
Fax: +91 (044) 6688 5050

1. We have audited the accompanying Statement of Standalone Financial Results of **XCHANGING SOLUTIONS LIMITED** ("the Company"), for the 15 months period ended 31 March, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone financial statements which has been prepared in accordance with the Accounting Standards 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 express an opinion on the Statement based on our audit of such standalone financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net loss and other financial information of the Company for the 15 months period ended 31 March, 2017.

5. Attention is invited to Note 2 in 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. 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. The Third Party has approached the Hon'ble Supreme Court against the said order of the Hon'ble Madras High Court. On January 20, 2017 the Hon'ble Supreme Court has issued notice to the Company. Based on the legal advice obtained, the Company is of the opinion that no adjustments are considered necessary.

Our opinion is not modified in respect of this matter.

6. The Statement includes the results for the Quarter ended 31 March, 2017 being the balancing figure between audited figures in respect of the fifteen months period ended and the published period to date figures up to the fourth quarter of the fifteen months period ended 31 March, 2017 which were subject to limited review by us.

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

*Bhavana Balasubramanian*

**Bhavani Balasubramanian**  
Partner  
(Membership No. 22156)

**Bangalore, May 29, 2017**





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**Declaration pursuant to Regulation 33(3)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

I, Suresh Akella Chief Financial Officer, hereby declare that the statutory Auditors of the Company, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No. 117366W/W-1000180) have issued unmodified opinion on standalone and Consolidated Annual Financial Results of the Company for Financial period ended March 31, 2017.

A handwritten signature in blue ink, appearing to read 'Suresh Akella'.

Suresh Akella  
Chief Financial Officer

Place: Bangalore  
Date: 29 May 2017

