

xchanging.com
XSE/SE/2017

May 29, 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: Outcome of the Board Meeting
Ref: Regulation 30, 33 & 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, May 29, 2017, have *inter-alia* the following:

1. Took note of resignation of Ms. Gopika Pant as an Independent director w.e.f 29th May, 2017 (*opening of business hours*) due to various engagements and assignments that she has on hand, she finds it difficult to devote sufficient time and efforts towards the directorship held in the Company.
2. 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;

Pursuant to Regulation 33(3)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the copies of the audited Standalone and Consolidated Financial Results for the 5 quarter and financial period ended March 31, 2017 along with Reports of the Statutory Auditors thereon are enclosed herewith for your records.

The results will be published in the newspapers in terms of Regulation 47(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in due course and will also be placed on the website of the Company.

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 is enclosed herewith.

3. Considered and approved the appointment of Mr. Suresh Akella as Chief Financial Officer of the Company w.e.f. 29th May, 2017

Brief profile of Mr. Suresh Akella as follows: -

Mr. Suresh Akella is a CA with 18 years of post-qualification experience having handled various finance and operational roles including country, regional and WW roles. He has a strong background in Corporate Finance, FP&A and other facets of finance, including decision support

Mayank Jain



and brings in the right balance of business acumen, strong leadership, controllership and governance exposure. He's worked with companies like E&Y, Intel, IBM, HSBC and has been with HPE for the last 6 years. He is also Project management professional (PMP) and Certified Fraud Examiner (CFE) by qualification.

None of the Directors are interested in the appointment of Mr. Suresh Akella as Chief Financial Officer.

4. Considered, approved and recommended to shareholders the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-1000180), Statutory Auditor for the ensuing 16th annual general meeting till the conclusion of the 20th annual general meeting, subject to ratification in every annual general meeting till 20th annual general meeting.

Brief profile of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No. 117366W/W-1000180) as follows: -

Deloitte Haskins & Sells was constituted on October 11, 1997. On November 20, 2013, Deloitte Haskins & Sells was converted to Deloitte Haskins & Sells LLP (the "Firm") which is incorporated under the Limited Liability Partnership Act 2008. The Firm is registered with the Institute of Chartered Accountants of India (Firm Registration No. 117366W/W-100018). The registered office of the Firm is 12, Dr. Annie Besant Road, Opp. Shiv Sagar Estate, Worli, Mumbai - 400 018, India. The Firm has other offices across India in Mumbai, Delhi, Kolkata, Chennai, Bangalore, Baroda, Ahmedabad, Hyderabad, Coimbatore, Kochi, Pune, Jamshedpur and Goa.

None of the Directors are interested in the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-1000180), as Statutory Auditor of the Company.

5. Considered and approved the Boards' Report for the financial period ended March 31, 2017 and the notice of 16th AGM.
6. The meeting of the Board commenced at 5:00 PM and concluded at 6:45 PM.

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 - 560066

Encl: as above

(Rs in lakhs)						
Statement of Standalone Audited Financial 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 31/12/2016
	(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
	Total Revenue	2,028	2,080	2,671	10,976	13,293
2.	Expenses					
	Employee benefits expense	834	1,181	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	800	816	4,800	4,126
	Total expenses	2,370	2,052	2,504	11,596	10,984
3.	(Loss) / Profit before tax (1-2)	(342)	28	167	(620)	2,309
4.	Tax expense / (benefit)					
	Current tax expense	129	23	154	308	651
	Deferred tax	(217)	(8)	(21)	(259)	294
	Net tax expense / (benefit)	(88)	15	133	47	945
5.	(Loss) / Profit for the period (3-4)	(254)	13	34	(667)	1,364
6.	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		(Rs in lakhs)		
Standalone Statement of Assets and Liabilities				
Particulars	As at		As at	
	31/03/2017		31/12/2016	
	(Audited)		(Audited)	
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	11,140		11,140	
Reserves and surplus	7,037		7,711	
	Sub-total - Shareholders' funds		18,851	
Non-current liabilities				
Long-term borrowings	46		91	
Other long-term liabilities	77		35	
Long-term provisions	317		342	
	Sub-total - Non-current liabilities		440	
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	1,603		1,418	
Other current liabilities	611		418	
Short-term provisions	2,982		2,943	
	Sub-total - Current liabilities		5,196	
	TOTAL - EQUITY AND LIABILITIES		23,813	
ASSETS				
Non-current assets				
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	138		112	
	Sub-total - Non-current assets		10,388	
Current assets				
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	
	Sub-total - Current assets		13,425	
	TOTAL - ASSETS		23,813	
			24,096	



Signature



Statement of Consolidated Audited Financials Results for the Quarter and Period Ended 31/03/2017						(Rs in lakhs)
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	6,164	5,659	6,696	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 expenses	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)	(21)	(259)	294
	Net tax expense / (benefit)	65	(22)	161	156	943
5.	Net Profit for the period (3-4)	579	876	314	1,760	2,920
6.	Earning / (Loss) 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		As at	As at
Particulars		31/03/2017	31/12/2015
		(Audited)	(Audited)
EQUITY AND LIABILITIES			
Shareholders' funds			
	Share capital	11,140	11,140
	Reserves and surplus	23,789	22,157
	Sub-total - Shareholders' funds	34,929	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	5,484	3,280
	Other current liabilities	1,246	612
	Short-term provisions	3,012	3,095
	Sub-total - Current liabilities	9,742	7,187
	TOTAL - EQUITY AND LIABILITIES	45,111	41,227
ASSETS			
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
	TOTAL - ASSETS	45,111	41,227



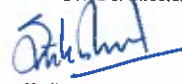
Signature



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 quarters ended March 31, 2017 are the balancing figures between the audited figures in respect of the full financial year and the published year 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, where necessary.

By Order of the Board of Directors



Srikrishna Madhavan
Executive Director & Chief Executive Officer

Place:
Date:

Bangalore
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 ('XSPL, 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 ('NIIPL, 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.

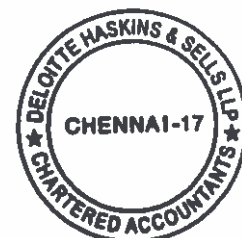
Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the financial information certified by the Management.

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



Bhavani Balasubramanian
Partner
(Membership No. 22156)

Bangalore, May 29, 2017



Deloitte Haskins & Sells LLP

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.

Suresh Akella
Chief Financial Officer

Place: Bangalore
Date: 29 May 2017

