

SUBEX LTD

Registered office: RMZ Ecovorld, Outer Ring Road, Devanahalli, Bangalore - 560 037
Statement of Consolidated Audited Results for the Quarter and Year ending March 31 2015

PART - I

(Rs in Lakhs except as per share data)

CONSOLIDATED						
Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended	Year ended	Previous Year ended	
	31/03/2015 Audited (Refer Note 12)	31/12/2014 Unaudited	31/03/2014 Audited (Refer Note 12)	31/03/2015 Audited	31/03/2014 Audited	31/03/2014 Audited
1						
Income From Operations	11,216	9,199	8,541	35,983	34,005	34,005
Net Sales/ Income From Operations						
Total Income From Operations (Net)	11,216	9,199	8,541	35,983	34,005	34,005
2						
Expenses						
(a) Cost of Hardware, Software & Services	1,237	231	286	2,093	956	956
(b) Employee Benefits Expense and Sub-contract Charges	3,434	4,452	4,417	16,376	17,929	17,929
(c) Other Expenditure	2,578	1,987	2,041	8,256	6,893	6,893
(d) Depreciation and Amortisation Expense (Refer Note 8)	93	86	63	402	248	248
(e) Exchange Fluctuation (Gain)/Loss-Net (Refer Note 10)	812	48	1,084	1,250	1,677	1,677
Total Expenses	8,154	6,804	7,891	28,377	27,703	27,703
3						
Profit From Operations before Other Income, Finance Costs and Exceptional Items (1-2)	3,062	2,395	650	7,606	6,302	6,302
4						
Other Income	60	25	578	97	450	450
5						
Profit From Ordinary Activities before Finance Costs and Exceptional Items (3+4)	3,122	2,420	1,228	7,703	6,752	6,752
6						
Finance Costs						
(a) Interest on FCCB	839	818	886	3,352	3,422	3,422
(b) Interest on Term Loan	219	220	219	850	840	840
(c) Other Borrowing Cost	436	478	558	1,903	2,486	2,486
7						
Profit / (Loss) From Ordinary Activities after Finance Costs but before Exceptional Items (5+6)	1,628	904	(435)	1,598	4	4
8						
Exceptional Items (Net Expense) (Refer Note 2)	-	-	220	-	220	220
9						
Profit / (Loss) From Ordinary activities before Tax (7+8)	1,628	904	(655)	1,598	(216)	(216)
10						
Tax Expense (Net)	187	230	561	578	945	945
11						
Net Profit / (Loss) From Ordinary Activities after Tax (9+10)	1,441	674	(1,216)	1,020	(1,161)	(1,161)

Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended	Year ended	Previous Year ended
	31/03/2015 Audited (Refer Note 12)	31/12/2014 Unaudited	31/03/2014 Audited (Refer Note 12)	31/03/2015 Audited	31/03/2014 Audited
12 Paid up Share Capital - Equity (Face value of Rs. 10/-)	18,292	17,476	16,664	18,292	16,664
13 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	698
14 Earnings/(Loss) per share (of Rs. 10/- each) (not annualised in case of the interim periods):					
Basic	0.84	0.40	(0.73)	0.59	(0.70)
Diluted	0.84	0.40	(0.73)	0.59	(0.70)
PART - II					
A PARTICULARS OF SHAREHOLDING					
1 Aggregate of Public shareholding*					
Number of shares (Refer note 5(b))	180,106,578	169,481,066	158,366,608	180,106,578	158,366,608
Percentage of holding (to total shareholding)	99.33%	99.29%	95.04%	99.33%	95.04%
2 Promoters and promoter group (Refer Note 9)					
Shareholding					
a) Pledged/Encumbered					
- Number of shares	974,044	974,044	6,474,044	974,044	6,474,044
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	0.54%	0.56%	3.89%	0.54%	3.89%
b) Non-encumbered					
- Number of Shares	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	0.00%	0.00%	0.00%
- Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.00%	0.00%	0.00%
* Total public shareholding as defined under clause 40.A of the listing agreement (excludes underlying shares for GDRs)					
Global Depository Receipts					
	3 months ended	Preceding 3 months ended	Corresponding 3 months ended	Year ended	Previous Year ended
	31/03/2015	31/12/2014	31/03/2014	31/03/2015	31/03/2014
- Number of underlying Equity Shares	243,207	243,207	1,799,310	243,207	1,799,310
- Percentage of Share Holding	0.13%	0.14%	1.08%	0.13%	1.08%
Particulars					
	3 months ended				
	31/03/2015				
B INVESTOR COMPLAINTS					
Pending at the beginning of the quarter	Nil				
Received during the quarter	Nil				
Disposed off during the quarter	Nil				
Remaining unresolved at the end of the quarter	Nil				

(Rs. in Lakhs)

Particulars		As At 31/03/2015 Audited	As At 31/03/2014 Audited		
EQUITY AND LIABILITIES					
1 Shareholders' Funds					
(a) Share capital		18,292	16,664		
(b) Reserves and Surplus		2,612	698		
Sub-total - Shareholders' funds		20,904	17,362		
2 Non-current Liabilities					
(a) Long-term Borrowings		57,769	60,245		
(b) Deferred Tax Liabilities(net)		9,320	5,547		
(c) Other Long-term Liabilities		512	428		
Sub-total - Non-current liabilities		67,601	66,220		
3 Current Liabilities					
(a) Short-term Borrowings		14,694	16,016		
(b) Trade Payables - Other than acceptances		5,930	5,253		
(c) Other Current Liabilities		3,898	4,061		
(d) Short-term Provisions		354	349		
Sub-total - Current liabilities		24,876	25,679		
TOTAL - EQUITY AND LIABILITIES (1+2+3)		113,381	109,261		
ASSETS					
1 Non-current Assets					
(a) Fixed Assets		818	598		
(b) Goodwill on Consolidation		85,642	85,642		
(c) Deferred tax assets (net)		2,568	2,239		
(d) Long-term Loans & Advances		-	1,425		
(e) Other Non-current Assets		89,028	89,904		
Sub-total - Non-current assets		97,056	99,788		
2 Current Assets					
(a) Trade Receivables		12,302	10,058		
(b) Cash and Bank Balances		5,670	4,793		
(c) Short-term Loans & Advances		1,103	949		
(d) Other Current Assets		5,278	3,557		
Sub-total - Current assets		24,353	19,357		
TOTAL - ASSETS (1+2)		113,381	109,261		
Notes :					
1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on May 14th, 2015.					
2 Exceptional items comprise -					
(Rs. in Lakhs)					
Particulars	3 months ended 31/03/2015	Preceding 3 months ended 31/12/2014	Corresponding 3 months ended 31/03/2014	Year ended 31/03/2015	Previous Year ended 31/03/2014
Exceptional Provision for Doubtful trade and other receivables#	Audited (Refer Note 12)	Unaudited	Audited (Refer Note 12)	Audited	Audited
TOTAL	-	-	-	-	220
#Represents provisions relating to Services Segment discontinued with effect from 01.04.2013					

3 Summary of key standalone financial results is as follows:

(Rs. in Lakhs)					
Particulars	3 months ended 31/03/2015	Preceding 3 months ended 31/12/2014	Corresponding 3 months ended 31/03/2014	Year ended 31/03/2015	Previous Year ended 31/03/2014
Net Sales/ Income from Operations	Audited (Refer Note 12)	Unaudited	Audited (Refer Note 12)	Audited (Refer Note 12)	Audited
Loss from ordinary activities before tax	9,526	7,845	7,340	30,567	29,367
Loss from ordinary activities after tax	271	(445)	(2,314)	(2,685)	(2,806)
Loss from ordinary activities after tax	221	(512)	(2,681)	(2,840)	(2,953)

4 As permitted under the Proposal approved by the Honble High Court of Karnataka, which was given effect in the year ended March 31, 2010, the Company transferred certain amounts standing to the credit of Capital Reserve to the Business Restructuring Reserve (BRR) and utilised the same for permitted utilisations as under. Had the Proposal not provided for the above accounting treatment:

(Rs. in Lakhs)					
Particulars	3 months ended 31/03/2015	Preceding 3 months ended 31/12/2014	Corresponding 3 months ended 31/03/2014	Year ended 31/03/2015	Previous Year ended 31/03/2014
Revenue would have been lower by	Audited (Refer Note 12)	Unaudited	Audited (Refer Note 12)	Audited (Refer Note 12)	Audited
Other Expenditure would have been higher by	-	-	-	-	-
Expenses termed as Exceptional Items would have been higher / (lower) by	-	-	-	-	-
Net (loss) / profit would have been (higher) / lower by	-	-	-	-	-
Earnings / (Loss) per share would have been	-	-	-	-	-
- Basic	0.84	0.40	(0.73)	0.59	(0.75)
- Diluted	0.84	0.40	(0.73)	0.59	(0.75)

5(a) Pursuant to the approval of the holders of "US\$ 180 Million 2% convertible unsecured bonds", [of which US\$ 39 Million was outstanding ("FCCBs I") and "US\$ 98.7 Million 5% convertible unsecured bonds", [of which US\$ 54.8 Million was outstanding ("FCCBs II")], at their respective meetings held on July 05, 2012 and exchange offers received under the exchange offer memorandum dated June 13, 2012, holders of US\$ 38 Million out of FCCBs I and US\$ 53.4 Million out of FCCBs II offered their bonds for exchange. Consequently, secured bonds with a face value of US\$ 127.721 Million ("FCCBs III") were issued with maturity date of July 07, 2017, having an interest rate of 5.70% p.a. payable semi-annually, an exchange rate for conversion of Rs. 56.05/US\$ and an equity conversion price of Rs. 22.79 per equity share. In accordance with the terms of FCCBs III, principal amount of US\$ 36.321 Million were mandatorily converted into equity shares at the aforesaid conversion price on July 07, 2012. Further, pursuant to the approval of the Reserve Bank of India dated April 27, 2012 and requisite approvals of the bond holders, the maturity period of the un-exchanged portion of FCCBs I of US\$ 1 Million and FCCBs II of US\$ 1.4 Million stands extended to March 09, 2017, with its other terms and conditions remaining unchanged.

5(b) The face value of FCCB's outstanding as on March 31, 2015 are as follows:

Particulars	US\$ Million	Rs. in Lakhs
FCCB I	1.00	625
FCCB II	1.40	875
FCCB III	81.53	50,956
Total	83.93	52,456

Of the outstanding FCCB's III of US\$ 91.4 Million, during the year 2012-13, and the year ended March 31, 2015 FCCB's III with a face value of US\$ 3.25 Million, and US\$ 6.62 Million respectively, were converted resulting in issuance of 7,993,731 and 16,282,613 equity shares, respectively. Of the conversion during the year, in case of 1598745 shares the conversion was recorded by the registrar on April 10, 2015 and hence not considered in Part II above. Subsequent to the year ended March 31, 2015 the company has received an intimation for conversion of FCCB's III of US\$ 5 Million, which would result in issuance of 12,298,046 shares, leaving a current outstanding of FCCB III bond of face value of US\$ 76.53 Million.

5(c) The Board in its meeting today has also approved the reset of conversion price of the FCCB III which are convertible into equity shares of the Company, from Rs.22.79 to Rs.13.00 per equity share. As a result of the reset of conversion price, subject to necessary approvals. The said bonds as currently outstanding of face value of US\$ 76.53 Million would potentially be converted into 329,988,530 shares at an exchange rate of Rs 56.05.

6 During the year ended March 31, 2015, the Company has assessed the carrying value of goodwill arising from its investment in its subsidiary viz. Subex Americas Inc., amounting to Rs.18,606 Lakhs. Based on the management's assessment, there is no impairment of such goodwill taking into account the future operational plans and cash flows as prepared by the management and accordingly, no impairment loss is required to be recognized. This is a 'matter of emphasis' in the Audit Report of the Statutory Auditors.

7 The Company has only single business segment with respect to software products and related services and hence has not made any additional segment disclosures.

8 Consequent to the applicability of the relevant provisions of the Companies Act, 2013, the Company has reassessed the useful lives of all the assets. This has resulted in change in the useful life of Computers and related equipment compared to the previous estimates. On account of the above, the depreciation for the year and quarter ended March 31, 2015 is higher by Rs.82.76 Lakhs and Rs. 20.40 Lakhs respectively. As per provision of Part C of Schedule II of the Companies Act, 2013 an amount of Rs. 9 Lakhs has been debited to the opening balance of the retained earnings as at April 01, 2014 towards the carrying amount of assets, where the remaining useful life of these assets is Nil.

9 Details of Promoters and promoter group shareholding is as per reports furnished by the Registrar and Transfer Agents of the Company.

10 Exchange Fluctuation (Gain)/Loss - Net includes an amount of Rs. 383 Lakhs for the quarter and the year ended March 31, 2015 of exchange loss on consolidation of one of the subsidiaries viz., Subex Technologies Inc on account of its liquidation post discontinuance of its operations. Procedures relating to such liquidation are in progress.

11 Previous period / year figures have been re-grouped and/or re-arranged to conform with the current period.

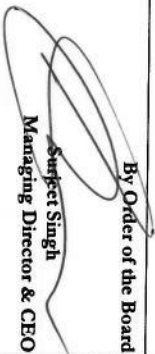
12 The figures of the last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year

13 Pursuant to clause 41 of the Listing Agreement, the Company has opted to publish the consolidated financial results. The standalone financial results, however, are being made available to the Stock Exchanges where the securities of the Company are listed and are also being posted on the Company's website www.subex.com.

Mumbai

Date: 14th May, 2015

For further details on the results, please visit our website: www.subex.com

By Order of the Board

Surjeet Singh
Managing Director & CEO