

May 30, 2014

To

Singapore Exchange Securities Trading Limited
2 Shenton Way #19-00
SGX Centre 1
Singapore 068804

Dear Sirs,

Sub: Outcome of the Board Meeting held on May 29, 2014

Please be informed that the following important item was discussed and approved at the Board Meeting:

- Audited standalone and consolidated Financial Results of the Company for the year ended March 31, 2014.

We request you to take the aforesaid notification on record.

For Subex Limited



Ganesh K V
Global Head – Finance, Legal & Company Secretary



PART - I

(Rs. In Lakhs except per share data)

Particulars	CONSOLIDATED				
	Three Months ended 31/03/2014 Audited (Refer Note 12)	Preceding 3 months ended 31/12/2013 Unaudited	Corresponding 3 months ended 31/03/2013 Audited (Refer Note 12)	For the year ended 31/03/2014 Audited	Previous Year ended 31/03/2013 Audited
1 Income From Operations: Net Sales/ Income From Operations Product & Product related Services	8,541	9,144	7,959	34,005	30,734
	-	-	37	-	2,324
Total Income From Operations (Net)	8,541	9,144	7,996	34,005	33,058
2 Expenses:					
(a) Cost of Hardware, Software & Services	286	202	197	956	817
(b) Employee Benefits Expense and Sub-contract charges	4,417	4,544	4,186	17,929	20,669
(c) Other Expenditure	2,041	1,753	1,569	6,893	6,981
(d) Depreciation and Amortisation Expense	63	60	87	248	427
(e) Exchange Fluctuation (Gain)/Loss-Net	1,084	1,379	441	1,677	655
Total Expenses	7,991	7,938	6,480	27,703	29,549
3 Profit / (Loss) From Operations before Other Income, Finance costs and Exceptional items (1-2)	650	1,206	1,516	6,302	3,509
4 Other Income	578	3	12	450	89
5 Profit / (Loss) From Ordinary activities before Finance costs and Exceptional items (3+4)	1,228	1,209	1,528	6,752	3,598
6 Finance Costs					
(a) Interest on FCCB (Refer Note 10)	886	896	775	3,422	2,212
(b) Interest on Term Loan (Refer Note 10)	219	215	112	840	386
(c) Other Borrowing Cost	558	651	755	2,486	2,612
7 Profit / (Loss) From Ordinary activities after Finance costs but before Exceptional items (5+6)	(435)	(553)	(114)	4	(1,612)
8 Exceptional Items (Refer Note 2)	220	-	-	220	3,997
9 Profit / (Loss) From Ordinary activities before Tax (7+8)	(655)	(553)	(114)	(216)	(5,609)
10 Tax Expense (Net)	561	291	43	945	386
11 Net Profit / (Loss) From Ordinary activities after Tax (9+10) (Refer Note 4)	(1,216)	(844)	(157)	(1,161)	(5,995)



12	Paid up Share Capital - Equity (Face value of Rs. 10/-)	16,664	16,664	16,664	16,664	16,664
13	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	698	5,836
14	Earnings per share (before extraordinary item) (of Rs. 10/- each) (not annualised in case of the interim periods): Basic Diluted	(0.73) (0.73)	(0.51) (0.51)	(0.01) (0.01)	(0.70) (0.70)	(4.40) (4.40)
PART - II						
A						
1						
Aggregate of Public shareholding:-*						
Number of shares		158,366,608	158,366,608	149,946,715	158,366,608	149,946,715
Percentage of holding (to total shareholding)		95.04%	95.04%	89.98%	95.04%	89.98%
2						
Promoters and promoter group						
Shareholding						
a) Pledged/Encumbered						
- Number of shares		6,474,044	6,474,044	8,474,044	6,474,044	8,474,044
- 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)		3.89%	3.89%	5.09%	3.89%	5.09%
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 40.4 of the listing agreement (excludes underlying shares for GDRs)						
Global Depository Receipts						
		Three Months ended 31/03/2014	Preceding 3 months ended 31/12/2013	Corresponding 3 months ended 31/03/2013	For the year ended 31/03/2014	For the Twelve Months ended 31/03/2013
- Number of underlying Equity Shares		17,99,310	1,799,310	6,989,399	17,99,310	6,989,399
- Percentage of Share Holding		1.08%	1.08%	4.19%	1.08%	4.19%
Particulars		Three Months ended 31/03/2014				
B						
INVESTOR COMPLAINTS						
Pending at the beginning of the quarter		Nil				
Received during the quarter		1				
Disposed off during the quarter		1				
Remaining unresolved at the end of the quarter		Nil				



STATEMENT OF ASSETS AND LIABILITIES			
Particulars	As At		Rs. in Lakhs
	31/03/2014	31/03/2013	
	Audited	Audited	
A			
EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital	16,664	16,664	
(b) Reserves and Surplus	698	5,836	
	17,362	22,500	
2 Non-current Liabilities			
(a) Long-term Borrowings	60,245	53,769	
(b) Deferred Tax Liabilities(net)	5,546	533	
(c) Other Long-term Liabilities	602	554	
(d) Long-term Provisions	66,393	54,856	
	Sub-total - Non-current liabilities		
3 Current Liabilities			
(a) Short-term Borrowings	16,016	19,388	
(b) Trade Payables - Other than acceptances	5,253	4,864	
(c) Other Current Liabilities	4,061	6,842	
(d) Short-term Provisions	349	348	
	Sub-total - Current liabilities	31,442	
	TOTAL - EQUITY AND LIABILITIES (1+2+3)	108,798	
B			
ASSETS			
1 Non-current Assets			
(a) Fixed Assets	598	467	
(b) Goodwill on Consolidation	85,642	85,642	
(c) Deferred tax assets (net)	2,412	141	
(d) Long-term Loans & Advances	1,425	2,646	
(e) Other Non-current Assets	90,077	1,314	
	Sub-total - Non-current assets	90,210	
2 Current Assets			
(a) Trade Receivables	10,058	7,333	
(b) Cash and Bank Balances	4,793	5,083	
(c) Short-term Loans & Advances	949	998	
(d) Other Current Assets	3,557	5,174	
	Sub-total - Current assets	18,588	
	TOTAL - ASSETS (1+2)	109,434	108,798



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 29th, 2014.

2 Exceptional items comprise -

Particulars	Three Months ended 31/03/2014	Preceding 3months ended 31/12/2013	Corresponding 3 months ended 31/03/2013	For the year ended 31/03/2014	Previous Year ended 31/03/2013
Goodwill Impairment*	Audited (Refer Note 12)	Unaudited	Audited (Refer Note 12)	Audited	Audited
Exceptional Provision for Doubtful trade and other receivables** / #	220	-	-	220	3,070
TOTAL	220	-	-	220	3,997

*The company had impaired goodwill outstanding in books pertaining to its services business during the year ended March 31, 2013. As an impairment in goodwill is not considered to be regular adjustment in the results, the same had been categorised as an exceptional item.

**During the year ended March 31, 2013, the Company had carried out an assessment of its receivables and an amount of Rs. 3,070 lakhs had been provided towards doubtful receivables. Considering that the amount of provision towards doubtful receivables was significant and relevant in understanding the financial performance, it had been disclosed separately under exceptional item.

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	Three Months ended 31/03/2014	Preceding 3months ended 31/12/2013	Corresponding 3 months ended 31/03/2013	For the year ended 31/03/2014	Previous Year ended 31/03/2013
Net Sales/ Income from Operations	Audited (Refer Note 12)	Unaudited	Audited (Refer Note 12)	Audited	Audited
Profit / (Loss) from ordinary activities before tax	7,340	8,203	6,942	29,367	26,556
Profit / (Loss) from ordinary activities after tax	(2,316)	(671)	(636)	(2,866)	(3,457)
Profit / (Loss) from ordinary activities after tax	(2,683)	(799)	(636)	(2,953)	(3,457)

4 As permitted under the Proposal approved by the Honble High Court of Karnataka, which was given effect in the year ended March 31, 2011, 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 except per share data)

Particulars	Three Months ended 31/03/2014	Preceding 3months ended 31/12/2013	Corresponding 3 months ended 31/03/2013	For the year ended 31/03/2014	Previous Year ended 31/03/2013
Revenue would have been lower by	Audited (Refer Note 12)	Unaudited	Audited (Refer Note 12)	Audited	Audited
Other Expenditure would have been higher by	-	-	-	81	959
Expenses termed as Exceptional Items would have been higher / (lower) by	-	-	-	-	359
Net (loss) / profit would have been (higher) / lower by	-	-	-	(81)	(1,318)
Earnings / (Loss) Per Share would have been - Basic	(0.73)	(0.51)	(0.01)	(0.75)	(5.35)
- Diluted	(0.73)	(0.51)	(0.01)	(0.75)	(5.35)



5 Pursuant to the approval of the holders of "US\$ 180 Million 2% convertible unsecured bonds", [of which US\$ 54.8 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 5, 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 of US\$ 127.721 million ("FCCBs III") were issued with maturity date of July 7, 2017, having a conversion price of Rs.22.79 per equity share and coupon of 5.70% p.a. payable semi-annually on the outstanding bonds. 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 in July 2012. The company has been legally advised that there is no tax incidence arising from the above restructuring. Further, 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 9, 2017, with its other terms and conditions remaining unchanged.

The Company has issued 72,55,848 equity shares upon conversion of FCCBs of principal amount of US\$ 29,50,000 by the holder(s) of Company's US\$ 91.10 million 5.70% Convertible Secured Bonds. Post the conversion, FCCBs aggregating to US\$ 88.15 million are outstanding under the said Bonds.

There have been no conversions during the quarter.

6 During the year ended March 31, 2014, 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 at this stage.

7 The excess of the managerial remuneration paid to the directors over the limits prescribed in Schedule XIII of the Companies Act, 1956 for the financial year ended March 31, 2013 amounting to Rs.124 lakhs is being treated as monies due from such directors, considered as recoverable and being held by them in trust for and behalf of the Company. The Company has taken necessary steps for recovery of the above amounts and these items along with other claims are a subject matter of arbitration which is in progress.

8 **SEGMENT REPORTING:**

(Rs in Lakhs)

		Consolidated				
		Three Months ended	Preceding 3 months ended	Corresponding months ended	For the year ended	Previous Year ended
		31/03/2014	31/12/2013	31/03/2013	31/03/2014	31/03/2013
1	Segment Revenue:					
(a)	Products & Product related	8,541	9,144	7,959	34,005	30,734
(b)	Services (Refer Note 9)	-	-	37	-	2,324
		8,541	9,144	7,996	34,005	33,058
2	Segment Profit/(Loss) before tax, interest & exceptional items					
(a)	Products & Product related	1,248	1,264	1,644	6,935	4,203
(b)	Services (Refer Note 9)	-	-	(116)	-	(605)
		1,248	1,264	1,528	6,935	3,598
	Less: Interest (Net)	1,248	1,264	1,642	6,710	5,210
	Less: Other Unallocable expenses	1,626	1,762	-	221	-
	Less: Exceptional items (Net)	57	55	-	220	-
(a)	Products & Product related	220	-	-	-	3,070
(b)	Services	-	-	-	-	927
		-	-	-	-	-
	Profit Before Taxation	(655)	(553)	(114)	(216)	(5,609)
3	Details of Capital Employed					
(a)	Services (Refer Note 9)	99,162	98,862	97,200	99,163	97,200
(b)	Services (Refer Note 9)	-	230	(267)	-	(267)
(c)	Unallocated	(81,801)	(83,327)	(74,434)	(81,801)	(74,434)



9	The Services business has been discontinued with effect from 01.04.2013.
10	Finance Cost includes deferred interest on FCCB amounting to Rs. 3422 lakhs and Rs. 886 lakhs in respect of year and quarter ended 31st March 2014 respectively, the same being payable on redemption on 7th July 2017. Further interest on term loan amounting to Rs. 408 lakhs and Rs. 107 lakhs in respect of year and quarter ended 31st March 2014 respectively is due to be paid in 21st August 2016.
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 .

Certain statements in this release concerning our performance may be forward looking statements which involve risks and uncertainties that could cause actual results to vary materially from those in such statements. These risks and uncertainties include, and are not limited to, fluctuations in earnings, intense competition and success of investments.

By Order of the Board

Mumbai
Date: 29th May, 2014

Surjit Singh
Managing Director & CEO

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

