SUBEX LTD

Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037

Statement of Consolidated Unaudited Results for the Quarter Ended June 30 2015

PART - I (₹ in Lakhs unless otherwise stated)

	Particulars	Consolidated			
		3 months ended	Preceding 3 months ended	Corresponding 3 months ended	Previous year ended
		June 30, 2015	March 31, 2015	June 30, 2014	March 31, 2015
		Unaudited	Audited (refer note 7)	Unaudited	Audited
1	Income from operations				
	Net sales/ income from operations	7,351	11,216	6,518	35,983
	Total income from operations (net)	**7,351**	**11,216**	**6,518**	**35,983**
2	Expenses				
(a)	Cost of hardware, software and support charges	125	1,237	131	2,093
(b)	Employee benefits expense and sub-contract charges	4,534	3,434	4,206	16,376
(c)	Other expenditure	1,654	2,578	1,792	8,256
(d)	Depreciation and amortisation expense	102	93	122	402
(e)	Exchange fluctuation loss (net)	1,176	812	733	1,250
	Total expenses	**7,591**	**8,154**	**6,984**	**28,377**
3	**(Loss)/Profit from operations before other income, finance costs and tax (1-2)**	**(240)**	**3,062**	**(466)**	**7,606**
4	Other income	33	60	31	97
5	**(Loss)/Profit from ordinary activities before finance costs and tax (3+4)**	**(207)**	**3,122**	**(435)**	**7,703**
6	Finance costs				
(a)	Interest on FCCBs (refer note 3(b) & 3(c))	(475)	839	846	3,352
(b)	Interest on term loan	231	219	197	850
(c)	Other finance costs	312	435	515	1,902
7	**(Loss)/Profit from ordinary activities after finance costs before tax (5-6)**	**(275)**	**1,629**	**(1,993)**	**1,599**
8	Tax expense (net)	200	187	67	578
9	**Net (Loss)/Profit for the period/year (7-8)**	**(475)**	**1,442**	**(2,060)**	**1,021**

	Particulars	3 months ended June 30, 2015 Unaudited	Preceding 3 months ended March 31, 2015 Audited	Corresponding 3 months ended June 30, 2014 Unaudited	Previous year ended March 31, 2015 Audited
10	Paid up share capital				
	- Equity (face value of ₹ 10/-)	19,891	18,292	16,910	18,292
11	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	2,612	-	2,612
12	(Loss)/Earnings per share (of ₹ 10/- each) (not annualised in case of the interim periods):				
	- Basic	(0.24)	0.84	(1.22)	0.59
	- Diluted	(0.24)	0.84	(1.22)	0.59

PART - II

		3 months ended June 30, 2015	Preceding 3 months ended March 31, 2015	Corresponding 3 months ended June 30, 2014	Previous year ended March 31, 2015
A	**PARTICULARS OF SHAREHOLDING**				
1	***Public shareholding:****				
	- Number of shares (refer note 3(e))	197,692,784	180,106,578	162,382,320	180,106,578
	- Percentage of holding (to total shareholding)	99.39%	99.33%	96.03%	99.33%
2	***Promoters and promoter group shareholding(refer note 6)***				
	a) Pledged/Encumbered				
	- Number of shares	974,044	974,044	4,974,044	974,044
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	76.83%	100.00%
	- Percentage of shares (as a% of the total share capital of the company)	0.49%	0.54%	2.94%	0.54%
	b) Non-encumbered				
	- Number of shares	-	-	1,500,000	-
	- Percentage of shares (as a% of the total shareholding of promoter and promoter group)	0.00%	0.00%	23.17%	0.00%
	- Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.89%	0.00%
	** Total public shareholding as defined under clause 40A of the listing agreement (excludes underlying shares for GDRs)*				
	Global Depository Recicpts				
	- Number of underlying equity shares	243,207	243,207	243,207	243,207
	- Percentage of share holding	0.12%	0.13%	0.14%	0.13%

B	INVESTOR COMPLAINTS	
	Particulars	**3 Months ended June 30, 2015**
	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

Notes:

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on August 12, 2015.

2 The Financial Results of Subex Limited (Standalone Information):

Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended	Previous year ended
	June 30, 2015	March 31, 2015	June 30, 2014	March 31, 2015
Net sales/ income from operations	6,430	9,526	5,442	30,567
Profit/(Loss) from ordinary activities before tax	447	271	(2,020)	(2,685)
Profit/(Loss) from ordinary activities after tax	397	221	(2,029)	(2,840)

3 (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 ₹ 56.05/US$ and an equity conversion price of ₹ 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.

(b) The bond holders in their respective meetings have approved the deferral of aggregate interest of US$ 12.85 Million (₹ 8180.23 Lakhs) in respect of FCCBs III for the period July 6, 2012 to January 5, 2016 till redemption date of the bonds, being July 07, 2017. Accordingly, interest on FCCBs III included under finance costs in the above results is due for payment on July 07, 2017.

(c) Interest on FCCBs is net off interest accrued but not due amounting to ₹ 1182.06 lakhs in relation to FCCBs III which has been written back during the quarter as the same is considered no longer payable due to the conversion of such FCCBs III with a face value of US$ 16.37 Million into equity shares of the Company during the period September 2012 to June 2015.

(d) The Board in its meeting held on May 14, 2015 approved the reset of conversion price of the FCCBs III which are convertible into equity shares of the Company, from ₹ 22.79 to ₹13.00 per equity share. Subsequently, the reset of the conversion price has been approved by the shareholders in the annual general meeting held on June 19, 2015 and the bondholders in their meeting held on August 5, 2015. As a result of the aforesaid reset of conversion price, the said bonds with outstanding face value of US $ 75.03 Million would potentially be converted into 323,520,703 equity shares at an exchange rate of ₹ 56.05 with a conversion price of ₹13 per equity share.

(e) The face value of FCCBs outstanding as on June 30, 2015 are as follows :

Particulars	US$ Million	₹ in Lakhs
FCCB I	1.00	636.45
FCCB II	1.40	891.03
FCCB III	75.03	47,752.84
Total	**77.43**	**49,280.32**

Of the outstanding FCCBs III of US$ 91.4 Million, during the financial years 2012-13, 2014-15 and the quarter ended June 30, 2015, FCCBs III with a face value of US$ 3.25 Million, US$ 6.62 Million and US$ 6.5 Million respectively, were converted at an exchange rate of ₹ 56.05/US$ and an equity conversion price of ₹ 22.79 resulting in issuance of 7,993,931, 16,282,613 and 15,987,461 equity shares, respectively. With regard to conversion of 1,598,745 equity shares during the quarter and year ended March 31, 2015 as the conversion was recorded by the registrar on April 10, 2015, it has not been included in part II (Particulars of shareholding) above.

4 During the financial year ended March 31, 2015, the Company had assessed the carrying value of goodwill arising from its investment in its subsidiary viz. Subex Americas Inc., amounting to ₹18,606 Lakhs. Based on the management's assessment, there was 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 was required to be recognised. There is no change in management's assessment as regards aforementioned carrying value of goodwill as at June 30, 2015. This is an 'Emphasis of Matter' in the Limited Review Report of the Statutory Auditors on the Unaudited Consolidated results.

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

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

7 The figures for the quarter ended March 31, 2015 are the balancing figures between audited figures for the year ended March 31, 2015 and unaudited figures for the nine months ended December 31, 2014.

8 Pursuant to the approval of the Board of Directors, the Company has discontinued the operations of two of its subsidiaries with effect from April 01, 2013. The details of unaudited/audited results of the discontinued business consolidated in the above results are as follows:

Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended	Previous year ended
	June 30, 2015	March 31, 2015	June 30, 2014	March 31, 2015
Total Income	-	-	-	-
(Loss)/Profit before tax	(0.90)	(420.91)	78.74	(474.18)
(Loss)/Profit after tax	(0.91)	(426.25)	78.70	(479.80)

9 The figures of the previous period upto March 31, 2015 were audited/ reviewed by a firm of Chartered Accountants other than S.R. Batliboi & Associates LLP. Previous period/year figures have been regrouped/ reclassified, wherever necessary to confirm to current period's classification.

10 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.

By Order of the Board

Sanjeev Aga
Director

SUBEX LIMITED BANGALORE-560 037

Mumbai
Date: August 12, 2015

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