

SUBEX LIMITED							
Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037							
Statement of Standalone Audited Results for the quarter and year ended March 31, 2016							
PART I		(₹ in Lakhs unless otherwise stated)					
Particulars	Standalone						
	3 months ended March 31,	Preceding 3 months ended December 31,	Corresponding 3 months ended March 31,	Current year ended March 31,	Previous year ended March 31,		
	2016 Audited (refer note 9)	2015 Unaudited	2015 Audited (refer note 9)	2016 Audited	2015 Audited		
1	Income from operations						
	Net sales/ income from operations	8,286	7,634	9,526	29,624		30,567
	Total income from operations (net)	8,286	7,634	9,526	29,624		30,567
2	Expenses						
(a)	Cost of hardware, software and support charges	23	52	1,132	131		1,530
(b)	Employee benefits expense and sub- contract charges (refer note 6)	2,099	1,805	1,800	8,041		7,406
(c)	Marketing and allied service charges (refer note 7)	3,144	2,979	2,474	11,605		11,788
(d)	Other expenditure	730	1,180	1,536	4,163		5,253
(e)	Depreciation and amortisation expense	64	67	64	263		259
(f)	Exchange fluctuation (gain)/loss (net)	(310)	259	1,062	1,009		2,068
	Total expenses	5,750	6,342	8,068	25,212		28,304
3	Profit from operations before other income, finance costs and exceptional items (1-2)	2,536	1,292	1,458	4,412		2,263
4	Other income	51	50	67	234		223
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	2,587	1,342	1,525	4,646		2,486
6	Finance costs						
(a)	Interest on FCCBs (net)	293	484	839	2,276		3,352
(b)	Other finance costs	365	357	415	1,318		1,819
	Total finance costs	658	841	1,254	3,594		5,171
7	Profit/(loss) from ordinary activities before exceptional items and tax (5-6)	1,929	501	271	1,052		(2,685)
8	Exceptional items (net) (refer note 3)	(22,755)	5,620	-	(13,713)		-
9	(Loss)/ profit from ordinary activities before tax (7+8)	(20,826)	6,121	271	(12,661)		(2,685)
10	Tax expense (net)	17	169	50	534		155
11	Net (loss)/ profit for the period/year (9-10)	(20,843)	5,952	221	(13,195)		(2,840)
12	Paid up share capital (face value of ₹ 10 (March 31, 2015: ₹ 10)	50,281	42,175	18,292	50,281		18,292
13	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	13,204		10,600
14	Earnings/(Loss) per share (of ₹ 10/- each) (not annualised in case of the interim periods):						
(a)	- Basic	(4.90)	1.82	0.13	(4.54)		(1.65)
(b)	- Diluted	(4.90)	1.31	0.13	(4.54)		(1.65)

Statement of standalone assets and liabilities

Particulars		(₹ in Lakhs)	
		As at March 31, 2016	As at March 31, 2015
A	Equity and liabilities	Audited	Audited
1	Shareholders' funds		
(a)	Share capital	50,281	18,292
(b)	Reserves and surplus	13,204	10,600
	Sub-total - Shareholders' funds (a+b)	63,485	28,892
2	Non-current liabilities		
(a)	Long-term borrowings	3,015	52,456
(b)	Other long-term liabilities	610	8,288
(c)	Long-term provisions	258	320
	Sub-total - Non-current liabilities (a+b+c)	3,883	61,064
3	Current liabilities		
(a)	Short-term borrowings		
(b)	Trade payables - other than acceptances	10,396	12,507
(c)	Other current liabilities	45,171	45,696
(d)	Short-term provisions	3,925	2,273
	Sub-total - Current liabilities (a+b+c+d)	757	325
	TOTAL - EQUITY AND LIABILITIES (1+2+3)	60,249	60,801
B	Assets	127,617	150,757
1	Non-current assets		
(a)	Fixed assets		
(b)	Non-current investments	403	550
(c)	Long-term loans and advances	71,771	77,234
(d)	Other non-current assets	2,885	4,746
	Sub-total - Non-current assets (a+b+c+d)	75,118	95,593
2	Current assets		
(a)	Trade receivables	49,701	52,225
(b)	Cash and cash equivalents	196	131
(c)	Short-term loans and advances	957	635
(d)	Other current assets	1,645	2,173
	Sub-total - Current assets (a+b+c+d)	52,499	55,164
	TOTAL - ASSETS (1+2)	127,617	150,757

Notes:

The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on May 24, 2016.

(a) 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")], 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 ₹ 56.0545/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 was 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 Board in its meeting held on May 14, 2015 has 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. The Board in its meeting held on August 26, 2015 has approved August 26, 2015 as the effective date of reset of conversion price of ₹ 13 per share.

As a result of the aforesaid reset of conversion price, the said bonds with outstanding face value of US\$ 4.55 Million as at March 31, 2016 would potentially be converted into 19,619,075 equity shares at an exchange rate of ₹ 56.0545/US\$ with a conversion price of ₹ 13 per equity share. Subsequent to balance sheet date, conversion requests from the bondholders of FCCBs III amounting to US\$ 0.45 Million have been received by the Company, which have been approved by the Board of Directors in the Board meeting dated April 28, 2016, and allotted 1,940,348 equity shares at an exchange rate of ₹ 56.0545/US\$ with a conversion price of ₹ 13 per equity share.

(c) (i) Of the outstanding FCCBs III of US\$ 91.40 Million as of July 2012, US\$ 86.85 Million have been converted till the quarter and year ended March 31, 2016 as detailed below:

Financial year/ period	FCCBs converted US\$ Million	Conversion rate per US\$	Conversion price	No. of equity shares
2012-13	3.25	₹ 56.0545	₹ 22.79	7,993,931
2014-15	6.62	₹ 56.0545	₹ 22.79	16,282,613
2015-16	76.98	₹ 56.0545	₹ 22.79/ ₹ 13.00	319,889,071
<i>Quarter wise details for the financial year 2015-16:</i>				
Quarter ended June 30, 2015	6.50	₹ 56.0545	₹ 22.79	15,987,461
Quarter ended September 30, 2015	15.10	₹ 56.0545	₹ 13.00	65,109,454
Quarter ended December 31, 2015	36.58	₹ 56.0545	₹ 13.00	157,728,731
Quarter ended March 31, 2016	18.80	₹ 56.0545	₹ 13.00	81,063,425

(c)(ii) The face value of FCCBs outstanding as on March 31, 2016 is as follows:

Particulars	US\$ Million	₹ in Lakhs
FCCBs I	1.00	663
FCCBs II	1.40	928
FCCBs III	4.55	3,015
Total	6.95	4,606

(d) The FCCB bond holders in their respective meetings have approved the deferral of aggregate interest of US\$ 0.92 Million (₹ 610.48 Lakhs) in respect of outstanding FCCBs III of USD 4.55 Million 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 to the extent of above deferrals is due for payment on July 07, 2017.

[illegible]

6	Employee benefits expense and sub-contract charges for the quarters ended March 31, 2016, December 31, 2015 and March 31, 2015 are net of reversal of provision no longer required, in respect of employee incentives, amounting to ₹ 30 Lakhs, ₹ 273 Lakhs, and ₹ Nil, respectively and that for the year ended March 31, 2016 and March 31, 2015 amounting to ₹ 381 Lakhs and ₹ 135 Lakhs, respectively.
7	Marketing and allied service charges for the quarter ended March 31, 2016, December 31, 2015 and March 31, 2015 are net of reversal of provision no longer required, in respect of commission on sales, amounting to ₹ 29 Lakhs, ₹ 79 Lakhs and ₹ Nil, respectively and that for the year ended March 31, 2016 and March 31, 2015 amounting to ₹ 108 Lakhs and ₹ Nil, respectively.
8	The Company has only single business segment with respect to software products and related services and hence has not made any additional segment disclosures.
9	The figures of last quarter of current and previous years are the balancing figures between the audited figures in respect of the full financial years and the published unaudited year to date figures for nine months of respective years.
10	The figures for the previous period/ year up to 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/ year's classification.

Bengaluru

Date: May 24, 2016

**Surjeet Singh
Managing Director & CEO**

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

