

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	2015	2015	2016	2015	
	Audited (refer note 9)	Unaudited	Audited (refer note 9)	Audited	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

(` in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
	Audited	Audited
A Equity and liabilities		
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	10,396	12,507
(b) Trade payables - other than acceptances	45,171	45,696
(c) Other current liabilities	3,925	2,273
(d) Short-term provisions	757	325
Sub-total - Current liabilities (a+b+c+d)	60,249	60,801
TOTAL - EQUITY AND LIABILITIES (1+2+3)	127,617	150,757
B Assets		
1 Non-current assets		
(a) Fixed assets	403	550
(b) Non-current investments	71,771	77,234
(c) Long-term loans and advances	2,885	4,746
(d) Other non-current assets	59	13,063
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:

1 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.

2 (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 ` 56.0545/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.

Particulars	(` in Lakhs)				
	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	2015	2015	2016	2015
	Audited (refer note 9)	Unaudited	Audited (refer note 9)	Audited	Audited
i. FCCBs					
Reversal of interest accrued but not due pertaining to converted FCCBs (refer note 3[i][a])	2,774	4,744	-	10,416	-
Foreign exchange gain on FCCBs conversion (net) (refer note 3[i][b])	759	876	-	2,159	-
	3,533	5,620	-	12,575	-
ii. Inter company balances (refer note 3[ii])					
Provision for doubtful advances	(1,960)	-	-	(1,960)	-
Provision for doubtful debts	(8,362)	-	-	(8,362)	-
Bad debts written off	(10,476)	-	-	(10,476)	-
	(20,798)	-	-	(20,798)	-
(iii) Provision for diminution in value of investment in subsidiary company (refer note 3[iii])	(5,490)	-	-	(5,490)	-
	(5,490)	-	-	(5,490)	-
Total	(22,755)	5,620	-	(13,713)	-
<p>(i)(a) Interest accrued but not due pertaining to FCCBs III converted during the current year has been written back as the same is considered no longer payable due to the conversion of FCCBs III into equity shares of the Company.</p> <p>(i)(b) FCCBs III have been converted into equity shares at an exchange rate of ` 56.0545/US\$ as per the FCCBs III trust deed, as against the closing rate on the date of conversion (in the range of ` 60 - ` 66) resulting in foreign exchange gain on conversion. Further, the Foreign Currency Monetary Item Translation Difference Account ('FCMITD') balance pertaining to FCCBs III converted into equity shares, has been charged off in the statement of profit and loss for the quarter and year ended March 31, 2016 on the date of conversion.</p> <p>(ii) As at March 31, 2016, the Company has assessed the recoverability of its receivables and loans and advances from its overseas subsidiaries. Based on future operational plan, projected cash flows and the current financial position of these subsidiaries, the Company has made a provision of ` 8,362 Lakhs and ` 1,960 Lakhs towards trade receivables and loans and advances due from these subsidiaries. Further, the Company has also written off ` 10,476 Lakhs as bad debts towards trade receivables from these subsidiaries.</p> <p>(iii) As at March 31, 2016, the Company has assessed the carrying value of its investment in its wholly owned subsidiary viz., Subex Americas Inc., of ` 12,496 Lakhs. Based on future operational plan, projected cash flows and valuation carried out by an external valuer, the Company has made a provision of ` 5,490 Lakhs towards diminution, other than temporary, in the carrying value of its investment in the said subsidiary.</p>					
4	As at March 31, 2016, the Company has trade receivables of ` 41,273 Lakhs (net of provision for doubtful debts of ` 11,287 Lakhs) from its subsidiaries and trade payables of ` 44,128 Lakhs to its subsidiaries. The management is in the process of filing necessary application with the Reserve Bank of India ('RBI') for settlement of these balances by setting off aforesaid trade payables against trade receivables. Pending filing of application with RBI and requisite approval from RBI, no adjustments have been made in these financial results. This is an 'Emphasis of Matter' in the Auditor's report on quarterly and year to date financial results of the Company.				
5	As at March 31, 2016, the Company has an investment of ` 64,739 Lakhs in its wholly owned subsidiary viz., Subex (UK) Limited. Considering the future operational plan, projected cash flows and the valuation carried out by an external valuer, the management is of the view that, the carrying value of its aforesaid investment in Subex (UK) Limited as at March 31, 2016 is appropriate.				

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

SUBEX LIMITED

Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037
Statement of Consolidated Audited Results for the quarter and year ended March 31, 2016

PART I (` in Lakhs unless otherwise stated)

Particulars	Consolidated				
	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	2015	2015	2016	2015
	Audited (refer note 11)	Unaudited	Audited (refer note 11)	Audited	Audited
1	Income from operations				
	Net sales/ income from operations	8,947	8,083	11,216	32,335
	Total income from operations (net)	8,947	8,083	11,216	32,335
2	Expenses				
(a)	Cost of hardware, software and support charges (refer note 6)	(138)	84	1,155	42
(b)	Employee benefits expense and sub- contract charges (refer note 7)	4,677	4,127	3,439	17,625
(c)	Other expenditure (refer note 8)	1,659	2,115	2,652	7,421
(d)	Depreciation and amortisation expense	110	110	93	427
(e)	Exchange fluctuation (gain)/loss (net)	(630)	(15)	812	827
	Total expenses	5,678	6,421	8,151	26,342
3	Profit from operations before other income, finance costs and exceptional items (1-2)	3,269	1,662	3,065	5,993
4	Other income	63	14	60	121
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	3,332	1,676	3,125	6,114
6	Finance costs				
(a)	Interest on FCCBs (net)	293	484	839	2,276
(b)	Interest on term loan	254	245	219	974
(c)	Other finance costs	383	375	435	1,394
	Total finance costs	930	1,104	1,493	4,644
7	Profit from ordinary activities before exceptional items and tax (5-6)	2,402	572	1,632	1,470
8	Exceptional items (net) (refer note 4)	(3,367)	5,620	-	5,675
9	(Loss)/ profit from ordinary activities before tax (7+8)	(965)	6,192	1,632	7,145
10	Tax expense (net)	186	254	187	1,273
11	Net (loss)/ profit for the period/year (9-10)	(1,151)	5,938	1,445	5,872
12	Paid up equity share capital (face value of ` 10 (March 31, 2015: ` 10)	50,281	42,175	18,292	50,281
13	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	22,419
14	Earnings/(Loss) per share (of ` 10/- each) (not annualised in case of the interim periods):				
(a)	- Basic	(0.27)	1.82	0.84	2.02
(b)	- Diluted	(0.27)	1.31	0.84	2.02

Statement of consolidated assets and liabilities

(` in Lakhs)

Particulars	As at March 31,2016	As at March 31, 2015
	Audited	Audited
A Equity and liabilities		
1 Shareholders' funds		
(a) Share capital	50,281	18,292
(b) Reserves and surplus	22,419	2,612
Sub-total - Shareholders' funds (a+b)	72,700	20,904
2 Non-current liabilities		
(a) Long-term borrowings	4,340	57,769
(b) Other long-term liabilities	610	9,320
(c) Long-term provisions	295	320
Sub-total - Non-current liabilities (a+b+c)	5,245	67,409
3 Current liabilities		
(a) Short-term borrowings	10,396	12,507
(b) Trade payables - other than acceptances	1,677	3,414
(c) Other current liabilities	12,851	7,059
(d) Short-term provisions	1,431	827
Sub-total - Current liabilities (a+b+c+d)	26,355	23,807
TOTAL - EQUITY AND LIABILITIES (1+2+3)	104,300	112,120
B Assets		
1 Non-current assets		
(a) Fixed assets	730	818
(b) Goodwill on consolidation (refer note 5)	76,772	85,642
(c) Long-term loans and advances	2,941	2,983
(d) Other non-current assets	239	752
Sub-total - Non-current assets (a+b+c+d)	80,682	90,195
2 Current assets		
(a) Trade receivables	11,148	10,860
(b) Cash and cash equivalents	8,600	4,918
(c) Short-term loans and advances	1,169	869
(d) Other current assets	2,701	5,278
Sub-total - Current assets (a+b+c+d)	23,618	21,925
TOTAL - ASSETS (1+2)	104,300	112,120

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 24, 2016.

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

(` in Lakhs)

Particulars	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	2015	2015	2016	2015
	Audited (refer note 11)	Unaudited	Audited (refer note 11)	Audited	Audited
Net sales/ income from operations	8,286	7,634	9,526	29,624	30,567
Profit/(Loss) from ordinary activities before tax	(20,826)	6,121	271	(12,661)	(2,685)
Profit/(Loss) from ordinary activities after tax	(20,843)	5,952	221	(13,195)	(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 ` 56.0545/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
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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.

Particulars	(` in Lakhs)				
	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	2015	2015	2016	2015
	Audited (refer note 11)	Unaudited	Audited (refer note 11)	Audited	Audited
i. FCCBs					
Reversal of interest accrued but not due pertaining to converted FCCBs (refer note 4[i][a])	2,774	4,744	-	10,416	-
Foreign exchange gain on FCCBs conversion (net) (refer note 4[i][b])	759	876	-	2,159	-
	3,533	5,620	-	12,575	-
Others					
ii. Reversal of interest accrued but not due pertaining to Term Loans (refer note 4[ii])	1,970	-	-	1,970	-
iii. Loss on Impairment of goodwill (refer note 4[iii])	(8,870)	-	-	(8,870)	-
Total	(3,367)	5,620	-	5,675	-
<p>(i)(a) Interest accrued but not due pertaining to FCCBs III converted during the current year has been written back as the same is considered no longer payable due to the conversion of FCCBs III into equity shares of the Company.</p> <p>(i)(b) FCCBs III have been converted into equity shares at an exchange rate of ` 56.0545/US\$ as per the FCCBs trust deed, as against the closing rate on the date of conversion (in the range of ` 60 - ` 66) resulting in foreign exchange gain on conversion. Further, the Foreign Currency Monetary Item Translation Difference Account ('FCMITD') balance pertaining to FCCBs III converted into equity shares, has been charged off in the statement of profit and loss for the quarter and year ended March 31, 2016 on the date of conversion.</p> <p>(ii) During the quarter ended March 31, 2016, certain lenders of term loans have waived interest liability outstanding till March 26, 2016 and interest liability accruing thereafter upto August 22, 2016, pursuant to the interest waiver agreement dated March 26, 2016 subject to the fulfilment of certain conditions. Consequent to fulfilment of such conditions, the accrued interest of US\$ 2.9 Million (` 1,970 Lakhs) on outstanding term loan balance of US\$ 12 Million (` 7,951 Lakhs) as at March 31, 2016 has been written back, as the same is no longer payable. Further, pursuant to the aforesaid agreement, the interest rate has been revised from the existing interest rate of 10.5% per annum to 5% per annum, effective August 22, 2016.</p> <p>(iii) As at March 31, 2016, the Company has assessed the carrying value of goodwill relating to its investment in the subsidiary viz. Subex Americas Inc., amounting to ` 18,606 Lakhs. Based on future operational plan, projected cash flows and valuation carried out by an external valuer, the Company has made an impairment provision of ` 8,870 Lakhs towards the carrying value of goodwill relating to its investment in the said subsidiary.</p>					
5	As at March 31, 2016, the Company has assessed the carrying value of goodwill relating to its investment in the subsidiary viz. Subex (UK) Limited, amounting to ` 67,036 Lakhs. Based on the future operational plan, projected cash flows and the valuation carried out by an external valuer, the management is of the view that, the aforesaid carrying value of goodwill as at March 31, 2016 relating to its investment in the said subsidiary is appropriate.				
6	Cost of hardware, software and support charges for the quarter ended March 31, 2016, December 31, 2015 and March 31, 2015 is net of reversal of provision no longer required, amounting to ` 213 Lakhs, ` Nil and ` Nil, respectively and that for the year ended March 31, 2016 and March 31, 2015 amounting to ` 386 Lakhs and ` Nil, respectively.				
7	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 ` 192 Lakhs, ` 420 Lakhs, and ` 904 Lakhs, respectively and that for the year ended March 31, 2016 and ended March 31, 2015 amounting to ` 1,065 Lakhs and ` 1,191 Lakhs, respectively.				
8	Other expenditure for the quarter ended March 31, 2016, December 31, 2015 and March 31, 2015 is net of reversal of provision no longer required, in respect of commission on sales, amounting to ` 68 Lakhs, ` 146 Lakhs and ` Nil, respectively and that for the year ended March 31, 2016 and March 31, 2015 amounting to ` 214 Lakhs, and ` Nil, respectively.				

9	Pursuant to the approval of the Board of Directors, the Group has discontinued the operations of two of its subsidiaries with effect from April 01, 2013. The details of unaudited/audited results of the discontinued businesses consolidated in the above results are as follows:					
	Particulars	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	2015	2015	2016	2015
		Audited (refer note 11)	Unaudited	Audited (refer note 11)	Audited	Audited
	Total income	-	-	-	-	-
	(Loss) /Profit before tax	(2.10)	(0.91)	(393.20)	(5.23)	(474.18)
	(Loss) /Profit after tax	(2.12)	(0.93)	(398.54)	(2.33)	(479.80)
10	The Group has only single business segment with respect to software products and related services and hence has not made any additional segment disclosures.					
11	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.					
12	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.					
13	Pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, 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.					
Bengaluru Date: May 24, 2016						Surjeet Singh Managing Director & CEO
<i>For further details on the results, please visit our website: www.subex.com</i>						