

SUBEX LTD
Registered office: RMZ, Licoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037
Statement of Standalone Unaudited Results for the Quarter and Six months ended September 30 2014

(Rs. in Lakhs except per share data)

PART I Particulars	STANDALONE						
	Three months ended 30/09/2014 Unaudited	Preceding 3 months ended 30/06/2014 Unaudited	Corresponding 3 months ended 30/09/2013 Unaudited	For the half year ended 30/09/2014 Unaudited	For the half year ended 30/09/2013 Unaudited	Previous year ended 31/03/2014 Audited	
1	Income from Operations Net Sales/ Income from Operations	7,754	5,442	7,246	13,196	13,824	29,367
2	Total Income From Operations (Net)	7,754	5,442	7,246	13,196	13,824	29,367
	Expenses						
(a)	Cost of Hardware, Software & Services	375	2	199	377	235	390
(b)	Employee Benefits Expense	1,798	1,868	1,602	3,666	3,181	6,561
(c)	Marketing and Allied Service Charges	3,010	3,013	3,470	6,023	6,371	12,823
(d)	Other Expenditure	1,541	1,102	1,339	2,643	2,487	4,643
(e)	Depreciation and Amortisation Expense (Refer Note 7)	68	67	40	135	83	161
(f)	Exchange Fluctuation (Gain)/Loss-Net	194	378	(325)	572	(1,474)	572
	Total Expenses	6,986	6,430	6,325	13,416	10,883	25,150
3	Profit/(Loss) From Operations before Other Income, Finance Costs and Exceptional Items (1-2)	768	(988)	921	(220)	2,941	4,217
4	Other Income	44	305	74	349	119	303
5	Profit/(Loss) From Ordinary Activities before Finance Costs and Exceptional Items (3±4)	812	(683)	995	129	3,060	4,520
6	Finance Costs						
(a)	Interest on FCCB (Refer Note 4(c))	850	846	863	1,696	1,640	3,422
(b)	Other Borrowing Costs	454	491	574	945	1,241	2,407
7	Profit / (Loss) From Ordinary Activities after Finance Costs but before Exceptional Items (5±6)	(492)	(2,020)	(442)	(2,512)	179	(1,309)
8	Exceptional Items (Net Expense)(Refer Note 2)	-	-	-	-	-	1,497
9	Profit / (Loss) from Ordinary Activities before Tax (7±8)	(492)	(2,020)	(442)	(2,512)	179	(2,806)
10	Tax Expense (Net) (Refer Note 8)	29	9	(428)	38	(348)	147
11	Net Profit / (Loss) from Ordinary Activities after Tax (9±10)	(521)	(2,029)	(14)	(2,550)	527	(2,953)



Particulars	Three months ended		Preceding 3 months ended		Corresponding 3 months ended		For the half year ended		For the half year ended		Previous year ended
	30/09/2014	Unaudited	30/06/2014	Unaudited	30/09/2013	Unaudited	30/09/2014	Unaudited	30/09/2013	Unaudited	31/03/2014
12	Paid Up Share Capital - Equity (Face value of Rs 10/-)										
13	Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year										
14	Earnings/(Loss) per share (of Rs 10/- each) (not annualised in case of the interim periods):										
(a)	Basic										
(b)	Diluted										
PART II											
PARTICULARS OF SHAREHOLDING											
A											
Aggregate of Public shareholding: (Refer Note 4(c))											
1	Number of shares										
	Percentage of shareholding (to total shareholding)										
2											
(a) Promoters and promoter group shareholding (Refer Note 9)											
	Number of shares										
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)										
	Percentage of shares (as a % of the total share capital of the Company)										
(b) Non-encumbered											
	Number of shares										
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)										
	Percentage of shares (as a % of the total share capital of the Company)										
<i>* Total public shareholding as defined under clause 40A of the listing agreement (excludes underlying shares for GDRs)</i>											
Global Depository Receipts											
	Number of underlying Equity Shares										
	Percentage of Share Holding										
Particulars											
B											
INVESTOR COMPLAINTS											
Pending at the beginning of the quarter											Three months ended 30/09/2014
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 November 12, 2014. The Statutory Auditors have carried out a "limited Review" of the same.

2 Exceptional items comprise -

Particulars	(Rs. in Lakhs)					
	Three months months ended 30/09/2014	Preceding 3 months ended 30/06/2014	Corresponding 3 months ended 30/09/2013	For the half year ended 30/09/2014	For the half year ended 30/09/2013	Previous year ended 31/03/2014
Exceptional Provision for Doubtful trade and other receivables*	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
TOTAL	-	-	-	-	-	1,497 1,497

*During the Year ended March 31, 2014, the Company carried out an assessment of its receivables and an amount of Rs. 1,497 Lakhs was provided towards certain doubtful receivables. Considering that the amount of provision towards doubtful receivables was significant and relevant in understanding the financial performance, it has been disclosed separately under exceptional item.

3 As permitted under the Proposal approved by the Hon'ble 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 except per share data)

Particulars	Three months months ended 30/09/2014	Preceding 3 months ended 30/06/2014	Corresponding 3 months ended 30/09/2013	For the half year ended 30/09/2014	For the half year ended 30/09/2013	Previous year ended 31/03/2014
	Other Expenditure would have been higher by	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Net (Loss) / Profit would have been (higher) / lower by	-	-	(81)	-	(81)	(81)
Earnings / (Loss) per share would have been	-	-	(81)	-	(81)	(81)
- Basic	(0.31)	(1.20)	(0.06)	(1.52)	0.27	(1.77)
- Diluted	(0.31)	(1.20)	(0.06)	(1.52)	0.27	(1.77)

4(a) Pursuant to the approval of the holders of "US\$ 180 Million 2% convertible unsecured bonds" [of which US\$ 39 Million was outstanding ("FCBs I") and "US\$ 98.7 Million 5% convertible unsecured bonds", [of which US\$ 54.8 Million was outstanding ("FCBs 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 FCBs I and US\$ 53.4 Million out of FCBs II offered their bonds for exchange. Consequently, secured bonds with a face value of US\$ 127.721 Million ("FCBs 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. 56.06/US\$ and an equity conversion price of Rs. 22.79 per equity share. In accordance with the terms of FCBs 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 FCBs I of US\$ 1 Million and FCBs II of US\$ 1.4 Million stands extended to March 09, 2017, with its other terms and conditions remaining unchanged.



4b) During 2012-13 and the quarter ended June 30, 2014, FCCB's III with a face value of US\$ 3.25 Million and US\$ 1 Million, respectively, were converted into 79,93,931 and 24,59,609 equity shares, respectively. The conversion recorded during the prior quarter, has been intimated and updated by the Registrar on July 08, 2014. The face value of FCCB's outstanding as on September 30, 2014 are as follows :

Particulars	US\$ Million	Rs. in Lakhs
FCCB I	1.00	617
FCCB II	1.40	865
FCCB III	87.15	53,815
Total	89.55	55,297

4c) At the bond holders meetings held on January 04, 2013, January 03, 2014 and July 04, 2014, gross interest on FCCB III for the periods from July 2012- June 2013, July 2013- December 2013, January 2014- June 2014 and July 2014 -January 2015 amounting to US\$ 5.60 Million, US\$ 2.85 Million, US\$ 2.82 Million and \$2.83 Million respectively, aggregating to US \$ 11.27 Million (Rs. 6,959 Lakhs) was deferred till redemption date of the said bonds, being July 07, 2017. Accordingly, interest on FCCBs III included under finance costs in the above results and as furnished here under is due for payment on July 07, 2017.

Particulars	Three Months ended	Preceding 3 months ended	Corresponding 3 months ended	For the half year ended	For the half year ended	Previous Year ended
	30/09/2014	30/06/2014	30/09/2013	30/09/2014	30/09/2013	
Interest on FCCBs III	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	831	833	763	1,664	1,611	3,006

(Rs. in Lakhs)

5 The Company had rescheduled the terms of repayment of dues from its subsidiary viz. Subex Americas Inc., in March 31 2014 and had balances amounting to Rs. 14,524 Lakhs of trade receivables and Rs. 1,831 Lakhs of advances. In the opinion of the management, considering the future operational plans and cash flows, the said dues are considered good and recoverable. Further, based on the management's assessment, there is no diminution, other than temporary, in the carrying value of its investment in the said subsidiary of Rs. 12,496 Lakhs and accordingly, no provision is required to be made at this stage. This is a 'matter of emphasis' in the Limited Review Report.

6 The Company operates in only one segment viz products and products' related business hence segment results have not been disclosed in the Standalone results.

7 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 half year and quarter ended September 30, 2014 is higher by Rs.31 Lakhs and Rs. 26 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.

8 Tax expense includes a charge of Rs. 174 Lakhs for the year ended March 31 2014 and Nil for the quarter and half year ended September 2014 and September 2013, respectively, pertaining to prior years.

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

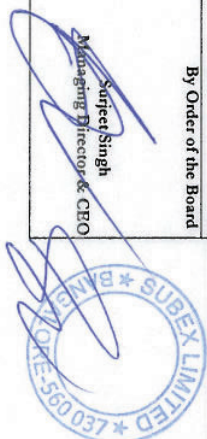
10 Previous period / year figures have been re-grouped and/or re-arranged to confirm with the current period.

By Order of the Board

Mumbai
Date: 12th November, 2014

Sujeet Singh
Managing Director & CEO

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



INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF SUBEX LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **SUBEX LIMITED** ("the Company"), and its subsidiaries (the Company and its subsidiaries constitute "the Group") for the Quarter and Half Year ended 30 September, 2014 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 6 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of the following entities:
 - Subex (UK) Limited
 - Subex (Asia Pacific) Pte Limited (Wholly owned subsidiary of Subex (UK) Ltd.)
 - Subex Inc. (Wholly owned subsidiary of Subex (UK) Ltd.)
 - Subex Americas Inc.
 - Subex Azure Holdings Inc. (Wholly owned subsidiary of Subex Americas Inc.)
 - Subex Technologies Limited
 - Subex Technologies Inc. (Wholly owned subsidiary of Subex Technologies Ltd.)
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 6 to the Statement regarding the management's assessment that the goodwill, amounting to Rs. 18,606 Lakhs, arising from the consolidation of one of its subsidiaries is not impaired and hence no provision has been made at this stage for the reasons stated in the said Note.

✓ Our report is not qualified in respect of the above matter.

6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter ended 30 September, 2014 of the Statement, from the details furnished by the Registrar.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)



Monisha Parikh
Partner
(Membership No. 47840)

✓ MUMBAI, November 12, 2014

SUBEX LTD
Registered office: RMZ, Ecoworld, Outer Ring Road, Devarahisarahalli, Bangalore - 560 037
Statement of Consolidated Unaudited Results for the Quarter and Six months ended September 30 2014

(Rs in Lakhs except per share data)

PART - I	Particulars	CONSOLIDATED						Previous year ended 31/03/2014 Audited
		Three months ended 30/09/2014 Unaudited	Preceding 3 months ended 30/06/2014 Unaudited	Corresponding 3 months ended 30/09/2013 Unaudited	For the half year ended 30/09/2014 Unaudited	For the half year ended 30/09/2013 Unaudited		
1	Income From Operations Net Sales/ Income From Operations	9,050	6,518	8,544	15,568	16,320	34,005	
	Total Income From Operations (Net)	9,050	6,518	8,544	15,568	16,320	34,005	
2	Expenses							
(a)	Cost of Hardware, Software & Services	494	131	285	625	468	956	
(b)	Employee Benefits Expense and Sub-contract charges	4,279	4,206	4,576	8,485	8,968	17,929	
(c)	Other Expenditure	1,927	1,772	1,595	3,699	3,278	6,893	
(d)	Depreciation and Amortisation Expense (Refer Note 9)	101	122	60	223	126	248	
(e)	Exchange Fluctuation (Gain)/Loss-Net	(343)	733	305	390	(786)	1,677	
	Total Expenses	6,458	6,964	6,821	13,422	12,054	27,703	
3	Profit / (Loss) From Operations before Other Income, Finance Costs and Exceptional Items (1-2)	2,592	(446)	1,723	2,146	4,266	6,302	
4	Other Income	1	11	40	12	47	450	
5	Profit / (Loss) From Ordinary Activities before Finance Costs and Exceptional Items (3+4)	2,593	(435)	1,763	2,158	4,313	6,752	
6	Finance Costs							
(a)	Interest on HCCB (Refer Note 5c)	850	846	863	1,696	1,640	3,422	
(b)	Interest on Term Loan (Refer Note 8)	214	197	215	411	405	840	
(c)	Other Borrowing Cost	473	515	593	988	1,278	2,486	
7	Profit / (Loss) From Ordinary Activities after Finance Costs but before Exceptional Items (5+6)	1,056	(1,993)	92	(937)	990	4	
8	Exceptional Items (Net Expense) (Refer Note 2)	-	-	-	-	-	220	
9	Profit / (Loss) From Ordinary Activities before Tax (7+8)	1,056	(1,993)	92	(937)	990	(216)	
10	Tax Expense (Net)	94	67	(64)	161	93	945	
11	Net Profit / (Loss) From Ordinary Activities after Tax (9+10)	962	(2,060)	156	(1,098)	897	(1,161)	



STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

Particulars	As At	
	30/09/2014 Unaudited	31/03/2014 Audited
A		
EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share Capital	16,910	16,664
(b) Reserves and Surplus	(1,624)	698
	15,286	17,362
Sub-total - Shareholders' funds		
2 Non-current Liabilities		
(a) Long-term Borrowings	59,311	60,245
(b) Deferred Tax Liabilities (net)	-	-
(c) Other Long-term Liabilities	8,268	5,546
(d) Long-term Provisions	672	602
	68,251	66,393
Sub-total - Non-current liabilities		
3 Current Liabilities		
(a) Short-term Borrowings	17,441	16,016
(b) Trade Payables - Other than Acceptances	5,771	5,253
(c) Other Current Liabilities	3,378	4,061
(d) Short-term Provisions	392	349
	26,982	25,679
Sub-total - Current liabilities		
TOTAL - EQUITY AND LIABILITIES (1+2+3)		
	110,519	109,434
B ASSETS		
1 Non-current Assets		
(a) Fixed Assets	702	598
(b) Goodwill on Consolidation	85,642	85,642
(c) Deferred Tax Assets (Net)	-	-
(d) Long-term Loans & Advances	2,455	2,412
(e) Other Non-current Assets	734	1,425
	89,533	90,077
Sub-total - Non-current assets		
2 Current Assets		
(a) Trade Receivables	12,711	10,058
(b) Cash and Bank Balances	2,954	4,793
(c) Short-term Loans & Advances	1,236	949
(d) Other Current Assets	4,085	3,557
	20,986	19,357
Sub-total - Current assets		
TOTAL - ASSETS (1+2)		
	110,519	109,434



Notes :

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on November 12, 2014. The Statutory Auditors have carried out a Limited Review of the same.

2 Exceptional items comprise -

Particulars	Three months ended 30/09/2014		Preceding 3 months ended 30/06/2014		Corresponding 3 months ended 30/09/2013		For the half year ended 30/09/2014		For the half year ended 30/09/2013		Previous year ended 31/03/2014	
	Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Audited	
Exceptional Provision for Doubtful trade and other receivables#	-		-		-		-		-		-	
TOTAL	-		-		-		-		-		-	

#Represents provisions relating to Services Segment discontinued with effect from 01.04.2013

3 Summary of key standalone financial results is as follows:

Particulars	Three months ended 30/09/2014		Preceding 3 months ended 30/06/2014		Corresponding 3 months ended 30/09/2013		For the half year ended 30/09/2014		For the half year ended 30/09/2013		Previous year ended 31/03/2014	
	Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Audited	
Net Sales/ Income from Operations	7,754		5,442		7,246		13,196		13,824		29,367	
Profit / (Loss) from ordinary activities before tax	(492)		(2,020)		(442)		(2,512)		179		(2,806)	
Profit / (Loss) from ordinary activities after tax	(521)		(2,029)		(14)		(2,530)		527		(2,953)	

4 As permitted under the Proposal approved by the Hon'ble 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 :

Particulars	Three months ended 30/09/2014		Preceding 3 months ended 30/06/2014		Corresponding 3 months ended 30/09/2013		For the half year ended 30/09/2014		For the half year ended 30/09/2013		Previous year ended 31/03/2014	
	Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Audited	
Other Expenditure would have been higher by	-		-		81		-		81		(81)	
Net (loss) / profit would have been (higher) / lower by	0.57		(1.22)		0.05		(0.65)		0.49		(0.75)	
Earnings / (Loss) per share would have been	0.57		(1.22)		0.05		(0.65)		0.49		(0.75)	
- Diluted	0.57		(1.22)		0.05		(0.65)		0.49		(0.75)	

(Rs in Lakhs except per share data)



For Immediate Release

November 12, 2014

Press contact Mansi Chouhan
Director- Marketing
+91 80 66598957
mansi.chouhan@subex.com

Subex announces FY15 Q2 Results with strong Revenue of US\$ 15 Million and EBIDTA of US\$ 3.9 Million
MUMBAI, INDIA – Subex Ltd, a leading global provider of Business and Operations Support Systems (B/OSS) for Communications Service Providers, today announced its financial results for the second quarter ended September 30, 2014.

Performance Highlights for the quarter ended September 30, 2014:

- **Revenue for the quarter at Rs. 9,050 lacs (US\$ 15 million)**
 - Up by 38.9% QoQ from Rs 6,518 lacs (US \$ 10.9 million) in FY15 Q1
 - License & Implementation at 24%, Managed Services at 38% & Support at 38% of the total revenues
- **EBIDTA ex forex for the quarter at Rs. 2,352 lacs (US\$ 3.9 million)**
 - Up by 461% QoQ from Rs. 419 lacs (US \$.70 million) in FY15 Q1
- **Operating Profit ex-forex for the quarter at Rs. 2,250 lacs (US\$ 3.7 million)**
 - Up by 744 % QoQ from Rs. 266 lacs (US\$.45 million)
- **Profit after Tax (PAT) for the quarter at Rs. 962 lacs (US\$ 1.6 million) as against loss of Rs. 2,060 lacs (US\$ 3.50 million) for the last quarter.**

Surjeet Singh, Managing Director & CEO, Subex Limited said, "We have ended the quarter strongly with increased positive EBITDA and increase in ex forex Operating Profit. Our recently concluded Subex User Conference 2014 is testimony of our solutions capabilities and assurance of our customer's support and belief in the company's strategy and growth. As the industry continues to focus on enhanced efficiency and reduced capital expenditure, the prospects of Subex continue to be brighter than ever, indicating better performance ahead with our clarity of purpose and mission of stability".

- Ends -



About Subex Limited

Subex Limited is a leading global provider of Business and Operations Support Systems (B/OSS) that empowers communications service providers (CSPs) to achieve competitive advantage through Business Optimisation - thereby enabling them to improve their operational efficiency to deliver enhanced service experiences to subscribers.

The company pioneered the concept of a Revenue Operations Centre (ROC*) – a centralized approach that sustains profitable growth and financial health through coordinated operational control. Subex's product portfolio powers the ROC and its best-in-class solutions such as revenue assurance, fraud management, asset assurance, capacity management, data integrity management, credit risk management, cost management, route optimization and partner settlement. Subex also offers a scalable Managed Services program with 30 + customers.

Subex has been awarded the Global Market Share Leader in Financial Assurance 2012 by Frost & Sullivan and has been the winner of Pipeline Innovation Award 2013 in Business Intelligence & Analytics; Capacity Magazine Best Product/ Service 2013. Subex has continued to innovate with customers and have been jointly awarded the Global Telecoms Business Innovation Award 2014 along with Telstra; in 2012 with Idea Cellular for Managed Services and in 2011 with Swisscom for Fraud Management. Subex's customers include 29 of top 50 operators* and 33 of the world's 50 biggest* telecommunications service providers worldwide. The company has more than 300 installations across 70 countries.

**Total Telecom Top 500 Telecom Brands, 2013*

**Forbes' Global 2000 list, 2014*

For more information please visit www.subex.com



INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF SUBEX LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **SUBEX LIMITED** ("the Company") for the Quarter and Half Year Ended 30 September, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to, Note 5 to the Statement regarding the management's assessment that the net amounts recoverable, amounting to Rs. 14,524 Lakhs of trade receivables and Rs. 1,831 Lakhs of loans and advances from one of its subsidiaries are good and that there is no diminution, other than temporary, in the carrying value of its investment, amounting to Rs. 12,496 Lakhs in the said subsidiary and hence no provision has been made at this stage for the reasons stated in the said Note.

Our report is not qualified in respect of the above matters.

5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter Ended 30 September, 2014 of the Statement, from the details furnished by the Registrar.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)



Monisha Parikh
Partner
(Membership No. 47840)

MUMBAI, November 12, 2014