



Subex Limited

Registered Office : Adarsh Tech Park, Outer Ring Road, Devarabisanahalli, Bangalore – 560 037
Tel : +91 80 6659 8700 Fax: + 91 80 6696 3333

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the sixteenth Annual General Meeting of the Members of Subex Limited will be held at the registered office of the Company situated at Adarsh Tech Park, Outer Ring Road, Devarabisanahalli, Bangalore-560 037 on Monday, the 13th day of September, 2010 at 3 P M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010 and the reports of the Board of Directors and Auditors of the Company thereon.
2. To appoint a Director in place of Mr. Vinod R. Sethi, who retires by rotation, and being eligible, seeks re-election.
3. To appoint a Director in place of Mr. Andrew Garman, who retires by rotation, and being eligible, seeks re-election.
4. To appoint auditor to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, to fix their remuneration and to pass the following resolution as an ordinary resolution:

"RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, Bangalore (ICAI registration number 008072S), be and are hereby appointed as the Auditors of the Company, under Section 224 and other applicable provisions, if any, of the Companies Act, 1956, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company in consultation with the Auditors".

SPECIAL BUSINESS:

5. Preferential Allotment

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations), as in force and subject to applicable provisions of the rules, regulations and guidelines of Securities and Exchange Board of India (SEBI), Foreign Exchange Management Act, 1999 and the regulations issued thereunder and provisions of the Memorandum of Association and Articles of Association of the Company and the Listing Agreements entered into by the Company with Stock Exchanges where the shares of the Company are listed, and subject to requisite approvals, consents, permissions and/or sanctions, if any, of SEBI, Stock Exchanges and all other appropriate authorities, regulatory or otherwise, and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **"Board"** which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the Board be and is hereby authorized to create, offer, issue and allot from time to time, equity shares, warrants with a right exercisable by the warrant holder to subscribe to the equity shares, instruments or securities convertible into or linked to or representing equity shares (hereinafter collectively referred to as **"Securities"**) or any combination of Securities, representing upto 8 million equity shares for cash at a premium, at a price of Rs. 80/- each, being higher than the minimum price computed in accordance with Chapter VII of SEBI ICDR Regulations, in one or more tranches to M/s Rayed Holding & Finance S.A., whether or not a member of the Company, on a preferential placement basis through offer letter and/or circular and/or information memorandum and/or private placement memorandum and/or such other documents/writings, in such manner, on such terms and conditions as may be decided by and deemed appropriate by the Board in its absolute discretion and in accordance with the SEBI ICDR Regulations and other provisions of applicable laws as may be prevailing at the time.

RESOLVED FURTHER THAT for the purposes of issuance of Securities, the relevant date as per the SEBI ICDR Regulations for the determination of applicable price of the Securities as the case may be, is August 14, 2010, being 30 days prior to the date of this Annual General Meeting.

RESOLVED FURTHER THAT the equity shares (including equity shares arising upon conversion) shall rank pari passu in all respects with the existing fully paid equity shares of face value of Rs 10/- each of the Company, subject to the relevant provisions contained in the Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the creation, offer, issue or allotment of the Securities and listing of the Equity Shares with the Stock Exchanges as appropriate and to resolve and settle all questions and

difficulties that may arise in relation to the proposed issue, offer and allotment of any of the Securities including utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it, to any committee of Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution.”

By Order of the Board

Place: Bangalore
Date : August 13, 2010

Raj Kumar
Vice President-Legal & Company Secretary

NOTES:

1. The explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the above-mentioned special business is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing the proxy should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. Corporate Members are requested to send a duly certified copy of the Board resolution, authorizing their representative(s) to attend and vote at the Annual General Meeting, pursuant to the provisions of section 187 of the Companies Act, 1956.
4. Members/proxies should bring the attendance slip sent herewith, duly filled in for attending the Meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Directors' Shareholdings, maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the Members at the Annual General Meeting.
7. The certificate from the Auditors of the Company certifying that the Company's ESOP 2000, ESOP 2005 and ESOP 2008 stock option plans are being implemented in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 shall be available for inspection by the Members at the Annual General Meeting.
8. The certificate from the Auditors of the Company certifying that the proposed preferential issue stated at item no. 5 above is being made in accordance with the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be available for inspection by the Members at the Annual General Meeting.
9. The Register of Members and Share Transfer Books will remain closed from September 8, 2010 to September 13, 2010 (both days inclusive).
10. Members are requested to notify the Registrar and Share Transfer Agents - M/s Canbank Computer Services Limited, J P Royale, 1st Floor, No.218, 2nd Main, Sampige Road (Near 14th Cross), Malleswaram, Bangalore - 560 003, of any change in their addresses so as to enable the Company to address future communications to their correct addresses.
11. Members who wish to get any further information as regards the items to be transacted at the meeting are requested to write to the Vice President-Legal & Company Secretary at an early date so as to enable the management to reply at the meeting.

By Order of the Board

Place: Bangalore
Date : August 13, 2010

Raj Kumar
Vice President-Legal & Company Secretary

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Item No. 2:

Mr. Vinod R. Sethi

Mr. Vinod R. Sethi is a member of the Board of Directors of the Company since 2000-01. He is a graduate in Chemical Engineering and also holds a degree in B.Tech from IIT, Mumbai and an MBA in Finance from Stern School of Business, New York University.

His earlier assignments include working with Morgan Stanley as Chief Investment Officer and Portfolio Manager of Morgan Stanley Asset Management managing over US\$ 2.4 billion of investments in India.

Companies/Institutions in Which Mr. Vinod R. Sethi Holds Directorships and Committee Memberships:

Subex Limited
Independent Director
Remuneration Committee-Chairman
Audit Committee-Member
ESOP Committee-Member
General Management Committee-Member

Geodesic Limited
Director
Compensation Committee-Chairman
Compliance Committee-Chairman
Audit Committee-Member
Remuneration Committee-Member
Sexual Harassment Prevention Committee-Member

Axsys Health Tech Limited
Director
Audit Committee- Member
Remuneration and Compensation Committee- Member

GTL Limited
Director
Audit Committee- Member
Nomination and Remuneration Committee- Member

Mount Everest Mineral Water Limited
Director
Audit Committee-Member

G G Dandekar Machine Works Limited
Director
Audit Committee- Member

Advanta India Limited
Director
Audit Committee- Member

K C P Sugar & Industries Limited
Director and Chairman

United Phosphorus Limited
Director

Itz Cash Card Limited
Director

Orbis Financial Corporation Limited
Director

ISMT Limited
Director

Durgamba Investments Private Limited
Director

Sethi Funds Management Private Limited
Director

Mr. Vinod R. Sethi does not hold any equity shares of the Company as on the date of this notice.

Item No. 3:

Mr. Andrew Garman

Mr. Andrew Garman is a member of the Board of Directors since 2006. He is a managing partner at New Venture Partners LLC where he focuses on the firm's software, services, networking and communications investment areas. Mr. Garman joined Lucent's New Ventures Group in 1999. Before Lucent, Mr. Garman was a managing director of BT Ventures at Bankers Trust Company, where he created and managed a portfolio of internally generated corporate spin-outs in information technology. Prior to joining BT Ventures in 1996, Mr. Garman was the Vice President of Strategy and Business Development for Xerox's New Enterprise Group. At Xerox, he helped expand the firm's internal venture portfolio by developing eleven companies based upon technology innovations, primarily derived from the Xerox Palo Alto Research Centre. From 1985 to 1991, Mr. Garman was a general partner at CommTech International Inc., an incubator and venture capital firm with exclusive rights to commercialise the technology of SRI International, a non-profit research institution. Mr. Garman was formerly a director of AcuPrint, Amati Communications, Celiant, Certco, ColoRep, Document Forum, dpiX, InXight Software, Lucent Public Safety Systems (now Intrado), Placeware, Microwave Photonics, Vidus Ltd. and Visual Insights.

Mr. Garman holds an AB in Engineering and Applied Physics from Harvard College, an MS in Mechanical Engineering from Stanford University and an MBA from Stanford University, where he was named an Arjay Miller Scholar. He is a past president of the Stanford Business School Alumni Association and member of the Board of Advisers.

Mr. Andrew Garman is a member of the Audit Committee and the Sub-Committee on Borrowings of the Board of Directors of the Company.

Mr. Andrew Garman does not hold any equity shares of the Company as on the date of this notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out all material facts relating to the special resolution set out in the accompanying notice of the sixteenth Annual General Meeting of the Members of Subex Limited to be held on Monday, the 13th day of September, 2010:

Item No. 5

The Company is exploring various options to raise funds to augment its short term/long-term financial resources. One such option considered appropriate under the current circumstances is the issuance of Securities as stated in the resolution, on a preferential basis to M/s Rayed Holding & Finance S.A., on such terms and conditions as may be decided by and deemed appropriate by the Board in its absolute discretion and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) and other provisions of the law as may be prevailing at the time.

The Details of the Issue and Other Particulars as Required Under Chapter VII of SEBI ICDR Regulations in Relation to the Special Resolution Proposed Under Item No. 5 are Given Hereunder:

i. Objects of the Issue:

The issue will enable mobilization of additional funds in order to meet the immediate fund requirements of the Company and to augment its short-term/long-term financial resources. In the long term interest of the Company and considering the restrictions in the terms & conditions of Foreign Currency Convertible Bonds issued by the Company on borrowing funds as loans, it is proposed to issue Securities on a preferential basis. The funds available from the issue will, inter alia, be used for restructuring/repayment of debts and for other general corporate purposes.

ii. Intention of the Promoter/Promoter Group/Directors/Key Managerial Personnel to Subscribe to the Offer:

None of the Promoters/entities or persons forming part of the Promoter Group intend to subscribe to the equity shares proposed to be issued.

None of the Key Managerial Personnel or Directors intend to subscribe to the issue in their personal capacity.

iii. Shareholding Pattern:

The Shareholding Pattern before and after the preferential issue considering full allotment of equity shares is given below:

Category of Shareholders	Pre-Issue of Securities		Post-Issue of Securities	
	Total Number of Shares	% of Total Voting Rights	Total Number of Shares	% of Total Voting Rights
Promoters/Promoter Group				
Individuals	2,952,844	4.75	2,952,844	4.21
Bodies Corporate	5,521,200	8.88	5,521,200	7.87
Non-Promoter Holdings				
Mutual funds	1,804,052	2.90	1,804,052	2.57
Financial Institutions/Banks	1,339,354	2.15	1,339,354	1.91
Foreign Institutional Investors	6,899,017	11.09	6,899,017	9.83
Bodies Corporate	11,663,578	18.76	19,663,578	28.02
Individuals	21,328,081	34.30	21,328,081	30.39
GDRs	9,206,848	14.81	9,206,848	13.11
Others	1,468,069	2.36	1,468,069	2.09
TOTAL	62,183,043	100.00	70,183,043	100.00

NOTE:

The post-allotment shareholding has been arrived at assuming that the entire 8 million equity shares would be taken up by the subscriber.

The issuance of equity shares as aforesaid shall be subject to the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, wherever applicable.

The stock options, which have not been exercised by the employees yet, granted under ESOP 2000, ESOP 2005 and ESOP 2008 schemes of the Company, have not been included in the revised capital structure, which would otherwise increase the capital depending on the number of options that may be exercised by the employees.

The above table does not include the Foreign Currency Convertible Bonds outstanding as on the date of this notice that have not been converted into equity shares yet.

iv. Currency of Resolution:

The Company shall complete the allotment(s) of equity shares as aforesaid within a period of 15 days from the date of passing the shareholders' resolution granting consent for the preferential issue. In case the allotment is pending on account of pendency of any approval for such allotment by any regulatory authority, the allotment shall be completed within 15 days of such approval.

v. Identity of Proposed Allottee(s) and the Percentage of Post Preferential Issue Capital That May be Held by Them:

The details of the subscriber are given herein below:

Name of Entity Subscribing to the Issue	Quantum of Subscription	Type of Security Offered	Pre-Allotment Shareholding		Post-Allotment Shareholding	
			Total No. of Shares	% of Total Voting Rights	Total No. of Shares	% of Total Voting Rights
M/s Rayed Holding & Finance S.A. c/o Trident Trust Company (B.V.I.) Limited, Trident Chambers, PO Box 146, Road Town, Tortola, British Virgin Islands	Upto 8 million equity shares of Rs. 10/- each	Equity shares	Nil	Nil	8,000,000*	11.40

* The post-allotment shareholding has been arrived at assuming that the entire 8 million equity shares would be taken up by the subscriber.

There shall be no change in control of the Company pursuant to the preferential issue.

vi. Relevant Date:

The Relevant Date for the purpose of determining the price of the Securities is August 14, 2010, being 30 days prior to the date of this Annual General Meeting.

vii. Pricing:

In accordance with the provisions of Chapter VII of SEBI ICDR Regulations, the minimum price as on the relevant date is Rs. 58.32/-. However, the Board of Directors has proposed a price higher than the minimum price computed in accordance with the SEBI ICDR Regulations. Accordingly, the Securities are proposed to be issued at Rs.80/-.

viii. Lock-in:

The Securities as aforesaid shall be locked-in in accordance with the provisions of Chapter VII of SEBI ICDR Regulations.

ix. Auditor's Certificate:

The certificate of the Auditors to the effect that the present preferential issue is being made in accordance with the guidelines for preferential issues under SEBI ICDR Regulations shall be placed at the Annual General Meeting.

x. Undertaking

The Company undertakes to re-compute the price of the Securities in terms of the provisions of SEBI ICDR Regulations, if required to do so, to comply with any provision and that if the amount payable on re-computation of price is not paid within the time stipulated in SEBI ICDR Regulations, the Securities shall continue to be further locked in till the time the amount is paid by the allottee(s).

None of the Directors or Key Managerial Personnel are in any way interested or concerned in the resolution.

Your Directors, therefore, recommend the resolution to be passed as a Special Resolution by the Members.

**SUBEX LIMITED**

Registered Office: Adarsh Tech Park, Outer Ring Road,
Devarabisanahalli, Bangalore – 560 037

ATTENDANCE SLIP
Annual General Meeting - September 13, 2010

Reg. Folio No. _____**No. of Shares:** _____**DP ID:** _____**Client ID:** _____

I/ We, certify that I/We, am/are a Member/Proxy for the Member of the Company.

I/We hereby record my presence at the Annual General Meeting held at the registered office of the Company situated at Adarsh Tech Park, Outer Ring Road, Devarabisanahalli, Bangalore – 560 037 on Monday, the 13th day of September 2010 at 3.00 P M.

.....
Member's/Proxy's name in block letters.....
Signature of Member/Proxy

Note :

1. Please fill up this attendance slip and hand it over at the entrance of the meeting hall.
2. Members are requested to bring their copies of this notice and explanatory statement to the meeting.
3. A shareholder may vote either for or against each resolution.

**SUBEX LIMITED**

Registered Office: Adarsh Tech Park, Outer Ring Road,
Devarabisanahalli, Bangalore – 560 037

PROXY FORM
Annual General Meeting - September 13, 2010

Reg. Folio No. _____**No. of Shares:** _____**DP ID:** _____**Client ID:** _____

I/We.....
of..... being Member(s) of Subex Limited
hereby appoint of or
failing him/ her..... of.....
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the registered office of the Company situated at Adarsh Tech Park, Outer Ring Road, Devarabisanahalli, Bangalore – 560 037 on Monday, the 13th day of September 2010 at 3.00 P M and at any adjournment thereof.

Signed this day of2010.

Affix
Rs.1/-
Revenue
Stamp

Note :

1. This form, duly completed and signed, must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
2. The Members who hold shares in dematerialized form shall quote their demat account number and DP ID number.



Annual Report 2009-2010

the future
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contents

01	Financial Highlights
02	Chairman's Letter to Shareholders
04	It's Time to Bring in Business Optimization – Sudeesh Yezhuvath
06	The New – Age Communications Service Provider – Mark Nicholson
08	Product Innovation at Subex – Anuradha
10	Tough Times Don't Last, Tough People Do – Monisha Tambay
12	Subexian Pride Award Winners & Subex Charitable Trust
13	Board of Directors & Management Team
16	Directors' Report
23	Corporate Governance
29	Management Discussion & Analysis
39	Financial Review – Standalone
64	Financial Review – Consolidated
85	Shareholders' Information

ABOUT SUBEX LIMITED

Subex Limited is a leading global provider of Operations and Business Support Systems (OSS/BSS) that empowers Communications Service Providers (CSPs) to achieve competitive advantage through Business Optimization and Service Agility - thereby enabling them to better operational efficiency to deliver enhanced service experiences to subscribers.

The company pioneered the concept of a Revenue Operations Center (ROC) – a centralized approach that sustains profitable growth and financial health through coordinated operational control. Subex's customers include 36 of the world's 72 biggest telecommunications service providers. The company has more than 300 installations across 70 countries.