

SUBEX LTD							
Registered office: Adarsh Tech Park, Outer Ring Road, Devarabasanahalli, Bangalore - 560 037							
Statement of Consolidated Unaudited Results for the Quarter and Six months Ended September 30, 2012							
PART - I		(Rs. in Lakhs except per share data)					
Particulars	CONSOLIDATED						
	3 Months ended 30/09/2012	Preceding 3 months ended 30/06/2012	Corresponding 3 months ended 30/09/2011	For the Half Year ended 30/09/2012	For the Half Year ended 30/09/2011	Previous year ended 31/03/2012	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Income From Operations						
(a)	Net Sales/ Income From Operations						
	Product & Product related	6,969	7,086	11,703	14,055	21,593	42,949
	Services	835	1,112	1,113	1,947	2,250	4,834
	Total Income From Operations (Net)	7,804	8,198	12,816	16,002	23,843	47,783
2	Expenses						
(a)	Cost of Hardware, Software & Services	273	153	297	426	459	870
(b)	Employee Benefits Expense and Sub-contract charges	5,231	6,342	6,884	11,573	13,475	25,358
(c)	Other Expenditure	2,901	1,186	1,981	4,087	4,204	8,588
(d)	Depreciation and Amortisation Expense	117	126	209	243	419	780
	Total Expenses	8,522	7,807	9,371	16,329	18,557	35,596
3	Profit / (Loss) From Operations before Other Income, Finance costs and Exceptional items (1-2)	(718)	391	3,445	(327)	5,286	12,187
4	Other Income	50	24	73	74	741	1,287
5	Profit / (Loss) From Ordinary activities before Finance costs and Exceptional items (3±4)	(668)	415	3,518	(253)	6,027	13,474
6	Finance Costs	1,314	809	1,066	2,123	2,097	4,285
7	Profit / (Loss) From Ordinary activities after Finance costs but before Exceptional items (5±6)	(1,982)	(394)	2,452	(2,376)	3,930	9,189
8	Exceptional Items (Net) (Refer Note 2)	3,997	-	3,782	3,997	3,875	5,670
9	Profit / (Loss) From Ordinary activities before Tax (7 ±8)	(5,979)	(394)	(1,330)	(6,373)	55	3,519
10	Tax Expense (Net)	117	115	(35)	232	28	335
11	Net Profit / (Loss) From Ordinary activities after Tax (9 ±10) (Refer Note 4 and 8)	(6,096)	(509)	(1,295)	(6,605)	27	3,184
12	Paid up Share Capital - Equity (Face value of Rs.10/-)	15,865	6,931	6,931	15,865	6,931	6,931
13	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						7,529
14	Earnings per share (before extraordinary items) (of Rs 10/- each) (not annualised in case of the three month periods):						
	Basic	(4.04)	(0.73)	(1.87)	(5.99)	0.04	4.59
	Diluted	(4.04)	(0.73)	(1.87)	(5.99)	0.04	4.59
PART - II							
A PARTICULARS OF SHAREHOLDING							
1	Aggregate of Public shareholding:*						
	Number of shares	143,182,791	53,831,645	52,074,405	143,182,791	52,074,405	54,200,225
	Percentage of holding (to total shareholding)	90.25%	77.67%	75.13%	90.25%	75.13%	78.20%
2	Promoters and promoter group						
	Shareholding						
a)	Pledged/Encumbered						
	- Number of shares	8,474,044	7,601,801	6,601,801	8,474,044	6,601,801	7,601,801
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	89.71%	81.49%	100.00%	81.49%	93.83%
	- Percentage of shares (as a % of the total share capital of the company)	5.34%	10.97%	9.52%	5.34%	9.52%	10.97%
b)	Non-encumbered						
	- Number of Shares	-	872,243	1,500,000	-	1,500,000	500,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	10.29%	18.51%	0.00%	18.51%	6.17%
	- Percentage of shares (as a % of the total share capital of the company)	0.00%	1.26%	2.16%	0.00%	2.16%	0.72%
* Total public shareholding as defined under clause 40.A of the listing agreement (excludes underlying shares for GDRs)							
Global Depository Receipts		3 Months ended 30/09/2012	Preceding 3 months ended 30/06/2012	Corresponding 3 months ended 30/09/2011	For the Half Year ended 30/09/2012	For the Half Year ended 30/09/2011	Previous year ended 31/03/2012
	- Number of underlying Equity Shares	6,989,399	7,005,083	9,134,566	6,989,399	9,134,566	7,008,746
	- Percentage of Share Holding	4.41%	10.10%	13.19%	4.41%	13.19%	10.11%
Particulars		3 Months ended 30/09/2012					
B INVESTOR COMPLAINTS							
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	4					
	Disposed of during the quarter	4					
	Remaining unresolved at the end of the quarter	Nil					

STATEMENT OF ASSETS AND LIABILITIES

Rs. In Lakhs

Particulars	As At		
	30/09/2012	31/03/2012	
	Unaudited	Audited	
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
(a)	Share capital	15,865	6,931
(b)	Reserves and Surplus	8,207	7,529
	Sub-total - Shareholders' funds	24,072	14,460
2	Non-current Liabilities		
(a)	Long-term Borrowings	49,578	-
(b)	Deferred Tax Liabilities (net)	-	-
(c)	Other Long-term Liabilities	504	-
(d)	Long-term Provisions	536	585
	Sub-total - Non-current liabilities	50,618	585
3	Current Liabilities		
(a)	Short-term Borrowings	18,468	12,437
(b)	Trade Payables - Other than acceptances	7,603	7,973
(c)	Other Current Liabilities	5,483	74,204
(d)	Short-term Provisions	386	271
	Sub-total - Current liabilities	31,940	94,885
	TOTAL - EQUITY AND LIABILITIES (1+2+3)	106,630	109,930
B	ASSETS		
1	Non-current Assets		
(a)	Fixed Assets	581	773
(b)	Goodwill on Consolidation	85,642	86,569
(c)	Deferred tax assets (net)	141	141
(d)	Long-term Loans & Advances	2,316	2,408
(e)	Other Non-current Assets	1,641	-
	Sub-total - Non-current assets	90,321	89,891
2	Current Assets		
(a)	Trade Receivables	7,164	7,303
(b)	Cash and Cash Equivalents	599	242
(c)	Short-term Loans & Advances	961	1,212
(d)	Other Current Assets	7,585	11,282
	Sub-total - Current assets	16,309	20,039
	TOTAL - ASSETS (1+2)	106,630	109,930

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 8, 2012.					
2	Exceptional items comprise -					
		Rs. In Lakhs				
Particulars	3 Months ended 30/09/2012	Preceeding 3 months ended 30/06/2012	Corresponding 3 months ended 30/09/2011	For the Half Year ended 30/09/2012	For the Half Year ended 30/09/2011	Previous year ended 31/03/2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Exchange Loss/(Gain) arising on restatement of Foreign Currency Convertible Bonds	-	-	3,838	-	3,931	5,534
Reversal of stock compensation expenses recorded earlier pursuant to voluntary surrender of options by employees	-	-	-	-	-	(404)
Gain on Sale of Assets pertaining to Activation business during the quarter ended September 30, 2011 net of Redundancy costs	-	-	(56)	-	(56)	(56)
Other Redundancy costs	-	-	-	-	-	596
Goodwill Impairment*	927	-	-	927	-	-
Exceptional Provision for Doubtful trade and other receivables**	3,070	-	-	3,070	-	-
TOTAL	3,997	-	3,782	3,997	3,875	5,670
*The company has impaired goodwill outstanding in books pertaining to its services business. As an impairment in goodwill is not considered to be regular adjustment in the results, the same has been categorised as an exceptional item.						
**During the quarter, the Company carried out an assessment of its receivables as at September 30, 2012 and an amount of Rs. 3,070 lakhs has been provided during the quarter towards doubtful receivables. Considering that the amount of provision towards doubtful receivables is significant and relevant in understanding the financial performance during the quarter, it is disclosed separately under exceptional item.						
3	Summary of Key Standalone Financial results is as follows -					
		Rs. In Lakhs				
Particulars	3 Months ended 30/09/2012	Preceeding 3 months ended 30/06/2012	Corresponding 3 months ended 30/09/2011	For the Half Year ended 30/09/2012	For the Half Year ended 30/09/2011	Previous year ended 31/03/2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Net Sales/ Income from Operations	6,160	5,717	7,854	11,877	15,502	32,901
Profit / (Loss) from ordinary activities before tax	(2,801)	(863)	(2,955)	(3,664)	(2,352)	204
Profit / (Loss) from ordinary activities after tax	(2,801)	(863)	(2,955)	(3,664)	(2,462)	240
4	As permitted under the Proposal approved by the Hon'ble High Court of Karnataka, which was given effect in the year ending March 31, 2011, 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	3 Months ended 30/09/2012	Preceeding 3 months ended 30/06/2012	Corresponding 3 months ended 30/09/2011	For the Half Year ended 30/09/2012	For the Half Year ended 30/09/2011	Previous year ended 31/03/2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue would have been lower by	959	-	-	959	-	(225)
Loss under Exceptional Items would have been higher / (lower) by	359	-	-	359	-	(225)
Net profit would have been lower/(higher) by	1,318	-	-	1,318	-	(225)
Earnings / (Loss) Per Share would have been						
-Basic	(4.91)	(0.73)	(1.87)	(7.18)	0.04	4.92
- Diluted	(4.91)	(0.73)	(1.87)	(7.18)	0.04	4.91
5	In view of the losses incurred by the Company during the half year ended September 30, 2012, the excess of the managerial remuneration paid to the directors over the limits prescribed under Schedule XIII of the Companies Act, 1956 has been treated as monies due from the directors, being held by them in trust for the Company, and is included under 'Short-term loans and advances' amounting to Rs. 103.43 lakhs, towards managerial remuneration in excess of the limits laid down under Schedule XIII of the Companies Act, 1956 and not paid as at September 30, 2012. The Company intends to make an application to the Central Government seeking approval for the excess remuneration and accounting therefor will be determined on receipt of the approval from the Central Government.					
6	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 was outstanding ("FCCBs 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 FCCBs I and US\$ 53.4 Million out of FCCBs II offered their bonds for exchange. Consequently, new secured bonds of US\$ 127.721 million ("FCCBs III") were issued with maturity date of July 7, 2017, having a conversion price of Rs.22.79 per equity share and coupon of 5.70% p.a. payable semi-annually on the outstanding bonds. 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 in July 2012. Further, 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 9, 2017, with its other terms and conditions remaining unchanged. The Company has been advised that the restructuring of the FCCB would be exempt from any tax incidence. The Company is in the process of requesting a legal opinion on the matter, and accordingly has not accrued for tax liability, if any. This is a subject matter of Auditors Qualification					
7	The Company has received a demand of service tax of Rs. 3607.60 lakhs and equivalent amount of penalties under the provisions of the Finance Act, 1994 along with the consequential interest, for the period from April, 2006 to July, 2009 towards service tax payable on import of certain services. The Company has filed an appeal contesting the demand along with a stay application seeking a stay of the entire demand before the Central Excise and Service Tax Appellate Tribunal (CESTAT), Bangalore and it is of the view that the demand is not sustainable. Further, the Company contends that in the event of the demand being upheld by the Appellate Authority, the Company is eligible to avail the service tax as input credit upon payment of the same.					
8	Pursuant to the notification dated December 29, 2011 issued by the Ministry of Corporate affairs, during the quarter ended December 31, 2011, the Company opted to adopt the transitional provisions under paragraph 46A of Accounting Standard 11 (AS 11) 'The Effects of Changes in Foreign Exchange rates' with effect from April 1, 2011. Accordingly, exchange differences arising on restatement of all long term monetary foreign currency assets and liabilities at rates different from those at which they were initially recorded or reported in previous financial statements (whichever is later) are accumulated in the Foreign Currency Monetary Item Translation Difference Account and are amortised over the balance period of such long term asset / liability. The cumulative impact of adopting the above policy upto the nine months ended December 31, 2011 was given effect to in the quarter ended December 31, 2011. Accordingly, the figures for the quarter ended September 30, 2011 disclosed in these results are as published earlier and do not consider the adoption of the above policy. The Losses for the quarter ended September 30, 2011 would have been lower by Rs. 2,471 Lakhs and for the Half year ended September 30, 2011, would have been lower by Rs. 2406 Lakhs, had the policy been followed for the said period.					
9	During the Quarter ended September 30, 2012, the Company has granted 57,900 options under its ESOP 2005 scheme.					

10		SEGMENT REPORTING:						(Rs. In Lakhs)
		Consolidated						
		3 Months ended	Preceding 3 months ended	Corresponding 3 months ended	For the Half Year ended	For the Half Year ended	Previous year ended	
		30/09/2012	30/06/2012	30/09/2011	30/09/2012	30/09/2011	31/03/2012	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Segment Revenue:							
(a)	Products & Product related	6,969	7,086	11,703	14,055	21,593	42,949	
(b)	Services	835	1,112	1,113	1,947	2,250	4,834	
		7,804	8,198	12,816	16,002	23,843	47,783	
2	Segment Profit/(Loss) before tax, interest & exceptional Items							
(a)	Products & Product related	(511)	454	3,609	(57)	6,260	13,378	
(b)	Services	(157)	(39)	(91)	(196)	(233)	96	
		(668)	415	3,518	(253)	6,027	13,474	
	Less: Interest (Net)	1,314	809	1,066	2,123	2,097	4,285	
	Less : Other Unallocable (Income)/Expenditure & Exceptional items [Net]	3,997	-	3,782	3,997	3,875	5,670	
	Profit Before Taxation	(5,979)	(394)	(1,330)	(6,373)	55	3,519	
3	Details of Capital Employed							
(a)	Products & Product related							
	Segment Assets	105,120	107,525	103,292	105,120	103,292	107,176	
	Segment Liabilities	12,940	14,333	15,784	12,940	15,784	16,291	
(b)	Services							
	Segment Assets	113	1,291	1,303	113	1,303	1,303	
	Segment Liabilities	154	228	236	154	236	184	
11	Previous period / year figures have been re-grouped and/or re-arranged to conform with the current period.							
12	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 .							
<i>Certain statements in this release concerning our performance may be forward looking statements which involve risks and uncertainties that could cause actual results to vary materially from those in such statements. These risks and uncertainties include, and are not limited to, fluctuations in earnings, intense competition and success of investments.</i>								
						By Order of the Board		
Bangalore November 8, 2012						Surjeet Singh Managing Director & CEO		
<i>For further details on the results, please visit our website: www.subex.com</i>								

SUBEX LTD						
Registered office: Adarsh Tech Park, Outer Ring Road, Devarabasanahalli, Bangalore - 560 037						
Statement of Standalone Unaudited Results for the Quarter and Six Months Ended September 30, 2012						
(Rs. In Lakhs except per share data)						
PART I						
Particulars	STANDALONE					
	3 Months ended	Preceding 3 months ended	Corresponding 3 months ended	For the Half Year ended	For the Half Year ended	Previous year ended
	30/09/2012	30/06/2012	30/09/2011	30/09/2012	30/09/2011	31/03/2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income From Operations					
(a)	Net Sales/ Income From Operations	6,160	5,717	7,854	11,877	15,502
	Total Income From Operations (Net)	6,160	5,717	7,854	11,877	15,502
2	Expenses					
(a)	Cost of Hardware, Software & Services	106	21	171	127	714
(b)	Employee Benefits Expense	1,724	1,802	2,171	3,526	4,373
(c)	Marketing and Allied Service Charges	2,878	3,477	2,684	6,355	5,224
(d)	Other Expenditure	1,187	487	875	1,674	1,801
(e)	Depreciation and Amortisation Expense	63	67	92	130	187
	Total Expenses	5,958	5,854	5,993	11,812	12,299
3	Profit / (Loss) From Operations before Other Income, Finance costs and Exceptional Items (1-2)	202	(137)	1,861	65	3,203
4	Other Income	-	30	-	30	261
5	Profit / (Loss) From Ordinary activities before Finance costs and Exceptional Items (3±4)	202	(107)	1,861	95	3,464
6	Finance Costs	1,339	756	946	2,095	1,859
7	Profit / (Loss) From Ordinary activities after Finance costs but before Exceptional Items (5±6)	(1,137)	(863)	915	(2,000)	1,605
8	Exceptional Items (Net)(Refer Note 2)	1,664	-	3,870	1,664	3,957
9	Profit / (Loss) from Ordinary activities before Tax (7±8)	(2,801)	(863)	(2,955)	(3,664)	204
10	Tax Expense (Net)	-	-	-	-	110
11	Net Profit / (Loss) from Ordinary activities after Tax (9±10) (Refer Note 3 and 7)	(2,801)	(863)	(2,955)	(3,664)	240
12	Paid up Share Capital - Equity (Face value of Rs.10/-)	15,865	6,931	6,931	15,865	6,931
13	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year					14,373
14	Earnings per share (before extraordinary items) (of Rs 10/- each) (not annualised in case of the three month periods):					
(a)	Basic	(1.86)	(1.25)	(4.26)	(3.32)	(3.55)
(b)	Diluted	(1.86)	(1.25)	(4.26)	(3.32)	(3.55)
PART II						
A PARTICULARS OF SHAREHOLDING						
1	Aggregate of Public shareholding:*					
	Number of shares	143,182,791	53,831,645	52,074,405	143,182,791	52,074,405
	Percentage of shareholding (to total shareholding)	90.25%	77.67%	75.13%	90.25%	75.13%
2	Promoters and promoter group shareholding					
(a)	Pledged/Encumbered					
	- Number of shares	8,474,044	7,601,801	6,601,801	8,474,044	6,601,801
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	89.71%	81.49%	100.00%	81.49%
	- Percentage of shares (as a % of the total share capital of the company)	5.34%	10.97%	9.52%	5.34%	10.97%
(b)	Non-encumbered					
	- Number of Shares	-	872,243	1,500,000	-	1,500,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	10.29%	18.51%	0.00%	18.51%
	- Percentage of shares (as a % of the total share capital of the company)	0.00%	1.26%	2.16%	0.00%	2.16%
* Total public shareholding as defined under clause 40.A of the listing agreement (excludes underlying shares for GDRs)						
	Global Depository Receipts	3 Months ended 30/09/2012	Preceding 3 months ended 30/06/2012	Corresponding 3 months ended 30/09/2011	For the Half Year ended 30/09/2012	For the Half Year ended 30/09/2011
	- Number of underlying Equity Shares	6,989,399	7,005,083	9,134,566	6,989,399	9,134,566
	- Percentage of Share Holding	4.41%	10.10%	13.19%	4.41%	13.19%
	Particulars	3 Months ended 30/09/2012				
B	INVESTOR COMPLAINTS					
	Pending at the beginning of the quarter	Nil				
	Received during the quarter	4				
	Disposed of during the quarter	4				
	Remaining unresolved at the end of the quarter	Nil				

STATEMENT OF ASSETS AND LIABILITIES

Rs. In Lakhs

	Particulars	As At	
		30/09/2012	31/03/2012
		Unaudited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
(a)	Share capital	15,865	6,931
(b)	Reserves and Surplus	18,509	14,373
	Sub-total - Shareholders' funds	34,374	21,304
2	Non-current Liabilities		
(a)	Long-term Borrowings	49,578	-
(b)	Deferred Tax Liabilities (net)	-	-
(c)	Other Long-term Liabilities	504	-
(d)	Long-term Provisions	517	532
	Sub-total - Non-current liabilities	50,599	532
3	Current Liabilities		
(a)	Short-term Borrowings	17,464	10,894
(b)	Trade Payables - Other than acceptances	2,935	6,386
(c)	Other Current Liabilities	2,868	69,774
(d)	Short-term Provisions	80	63
	Sub-total - Current liabilities	23,347	87,117
	TOTAL - EQUITY AND LIABILITIES(1+2+3)	108,320	108,953
B	ASSETS		
1	Non-current Assets		
(a)	Fixed Assets	365	475
(b)	Non-current Investments	77,234	77,234
(c)	Deferred Tax Assets (net)	134	134
(d)	Long-term Loans & Advances	2,245	2,339
(e)	Other Non-current Assets	5	5
	Sub-total - Non-current assets	79,983	80,187
2	Current Assets		
(a)	Trade Receivables	21,413	22,403
(b)	Cash and Cash Equivalents	302	156
(c)	Short-term Loans & Advances	2,348	2,428
(d)	Other Current Assets	4,274	3,779
	Sub-total - Current assets	28,337	28,766
	TOTAL - ASSETS (1+2)	108,320	108,953

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 8, 2012.

2 Exceptional items comprise -

Rs. In Lakhs

Particulars	3 Months ended 30/09/2012	Preceding 3 months ended 30/06/2012	Corresponding 3 months ended 30/09/2011	For the Half Year ended 30/09/2012	For the Half Year ended 30/09/2011	Previous year ended 31/03/2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Exchange Loss/(Gain) arising on restatement of Foreign Currency Convertible Bonds and inter company loans	-	-	3,870	-	3,957	5,534
Reversal of stock compensation expenses recorded earlier pursuant to voluntary surrender of options by employees	-	-	-	-	-	(215)
Exceptional Provision for Doubtful trade and other receivables*	1,664	-	-	1,664	-	-
TOTAL	1,664	-	3,870	1,664	3,957	5,319

*During the quarter, the Company carried out an assessment of its receivables as at September 30, 2012 and an amount of Rs. 1,664 lakhs has been provided during the quarter towards doubtful receivables. Considering that the amount of provision towards doubtful receivables is significant and relevant in understanding the financial performance during the quarter, it is 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 ending March 31, 2011, 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	3 Months ended 30/09/2012	Preceding 3 months ended 30/06/2012	Corresponding 3 months ended 30/09/2011	For the Half Year ended 30/09/2012	For the Half Year ended 30/09/2011	Previous year ended 31/03/2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue would have been lower by	206	-	-	206	-	-
Loss under Exceptional Items would have been higher by	1,112	-	-	1,112	-	2,575
Net profit would have been lower by	1,318	-	-	1,318	-	2,575
Earnings / (Loss) Per Share would have been						
-Basic	(2.73)	(1.25)	(4.26)	(4.52)	(3.55)	(2.12)
- Diluted	(2.73)	(1.25)	(4.26)	(4.52)	(3.55)	(2.12)

4 In view of the losses incurred by the Company during the half year ended September 30, 2012, the excess of the managerial remuneration paid to the directors over the limits prescribed under Schedule XIII of the Companies Act, 1956 has been treated as monies due from the directors, being held by them in trust for the Company, and is included under 'Short-term loans and advances' amounting to Rs. 103.43 lakhs, towards managerial remuneration in excess of the limits laid down under Schedule XIII of the Companies Act, 1956 and not paid as at September 30, 2012. The Company intends to make an application to the Central Government seeking approval for the excess remuneration and accounting therefor will be determined on receipt of the approval from the Central Government.

5 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 was outstanding ("FCCBs 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 FCCBs I and US\$ 53.4 Million out of FCCBs II offered their bonds for exchange. Consequently, new secured bonds of US\$ 127.721 million ("FCCBs III") were issued with maturity date of July 7, 2017, having a conversion price of Rs.22.79 per equity share and coupon of 5.70% p.a. payable semi-annually on the outstanding bonds. 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 in July 2012. Further, 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 9, 2017, with its other terms and conditions remaining unchanged. The Company has been advised that the restructuring of the FCCB would be exempt from any tax incidence. The Company is in the process of requesting a legal opinion on the matter, and accordingly has not accrued for tax liability, if any. This is a subject matter of Auditors Qualification

6 The Company has received a demand of service tax of Rs. 3607.60 lakhs and equivalent amount of penalties under the provisions of the Finance Act, 1994 along with the consequential interest, for the period from April, 2006 to July, 2009 towards service tax payable on import of certain services. The Company has filed an appeal contesting the demand along with a stay application seeking a stay of the entire demand before the Central Excise and Service Tax Appellate Tribunal (CESTAT), Bangalore and it is of the view that the demand is not sustainable. Further, the Company contends that in the event of the demand being upheld by the Appellate Authority, the Company is eligible to avail the service tax as input credit upon payment of the same.

7 Pursuant to the notification dated December 29, 2011 issued by the Ministry of Corporate affairs, during the quarter ended December 31, 2011, the Company opted to adopt the transitional provisions under paragraph 46A of Accounting Standard 11 (AS 11) 'The Effects of Changes in Foreign Exchange rates' with effect from April 1, 2011. Accordingly, exchange differences arising on restatement of all long term monetary foreign currency assets and liabilities at rates different from those at which they were initially recorded or reported in previous financial statements (whichever is later) are accumulated in the Foreign Currency Monetary Item Translation Difference Account and are amortised over the balance period of such long term asset / liability. The cumulative impact of adopting the above policy upto the nine months ended December 31, 2011 was given effect to in the quarter ended December 31, 2011. Accordingly, the figures for the quarter ended September 30, 2011 disclosed in these results are as published earlier and do not consider the adoption of the above policy. The Losses for the quarter ended September 30, 2011 would have been lower by Rs. 2,471 Lakhs and for the Half year ended September 30, 2011, would have been lower by Rs. 2,406 Lakhs, had the policy been followed for the said period.

8 Segment results have not been disclosed in the Standalone results since the Company operates in only one Segment viz Products and Products related business.

9 During the Quarter ended September 30, 2012, the Company has granted 57,900 options under its ESOP 2005 scheme.

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

Certain statements in this release concerning our performance may be forward looking statements which involve risks and uncertainties that could cause actual results to vary materially from those in such statements. These risks and uncertainties include, and are not limited to, fluctuations in earnings, intense competition and success of investments.

Bangalore
November 8, 2012

By Order of the Board

Surjeet Singh
Managing Director & CEO

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