

SUBEX LTD							
Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037							
Statement of Consolidated Unaudited Results for the Quarter and Nine months Ended December 31, 2012							
PART - I		(Rs. In Lakhs except per share data)					
Particulars	CONSOLIDATED						
	3 Months ended	Preceding 3 months ended	Corresponding 3 months ended	For the Nine Months ended	For the Nine Months ended	Previous year ended	
	31/12/2012	30/09/2012	31/12/2011	31/12/2012	31/12/2011	31/03/2012	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Income From Operations						
(a)	Net Sales/ Income From Operations						
	Product & Product related	8,720	6,969	11,728	22,775	33,321	42,949
	Services	340	835	1,414	2,287	3,664	4,834
	Total Income From Operations (Net)	9,060	7,804	13,142	25,062	36,985	47,783
2	Expenses						
(a)	Cost of Hardware, Software & Services	194	273	167	620	626	870
(b)	Employee Benefits Expense and Sub-contract charges	4,910	5,231	6,420	16,483	19,895	25,358
(c)	Other Expenditure	1,934	1,752	2,261	5,412	6,465	8,588
(d)	Depreciation and Amortisation Expense	97	117	190	340	609	780
(e)	Exchange Fluctuation (Gain)/Loss-Net	(352)	1,149	(123)	214	(508)	(398)
	Total Expenses	6,783	8,522	8,915	23,069	27,087	35,198
3	Profit / (Loss) From Operations before Other Income, Finance costs and Exceptional items (1-2)	2,277	(718)	4,227	1,993	9,898	12,585
4	Other Income	47	50	22	77	378	698
5	Profit / (Loss) From Ordinary activities before Finance costs and Exceptional items (3+4)	2,324	(668)	4,249	2,070	10,276	13,283
6	Finance Costs	1,445	1,314	1,104	3,568	3,201	4,285
7	Profit / (Loss) From Ordinary activities after Finance costs but before Exceptional items (5+6)	879	(1,982)	3,145	(1,498)	7,075	8,998
8	Exceptional Items (Net Expense) (Refer Note 2)	-	3,997	1,217	3,997	5,091	5,479
9	Profit / (Loss) From Ordinary activities before Tax (7+8)	879	(5,979)	1,928	(5,495)	1,984	3,519
10	Tax Expense (Net)	111	117	291	343	319	335
11	Net Profit / (Loss) From Ordinary activities after Tax (9+10) (Refer Note 4 and 8)	768	(6,096)	1,637	(5,838)	1,665	3,184
12	Paid up Share Capital - Equity (Face value of Rs.10/-)	15,938	15,865	6,931	15,938	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 interim periods):						
	Basic	0.48	(4.04)	2.36	(4.57)	2.40	4.59
	Diluted	0.45	(4.04)	2.33	(4.57)	2.37	4.59
PART - II							
A PARTICULARS OF SHAREHOLDING							
1	Aggregate of Public shareholding:*						
	Number of shares	143,920,673	143,182,791	54,200,225	143,920,673	54,200,225	54,200,225
	Percentage of holding (to total shareholding)	90.30%	90.25%	78.20%	90.30%	78.20%	78.20%
2	Promoters and promoter group						
	Shareholding						
	a) Pledged/Encumbered						
	- Number of shares	8,474,044	8,474,044	7,601,801	8,474,044	7,601,801	7,601,801
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	93.83%	100.00%	93.83%	93.83%
	- Percentage of shares (as a % of the total share capital of the company)	5.32%	5.34%	10.97%	5.32%	10.97%	10.97%
	b) Non-encumbered						
	- Number of Shares	-	-	500,000	-	500,000	500,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	6.17%	0.00%	6.17%	6.17%
	- Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.72%	0.00%	0.72%	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 31/12/2012	Preceding 3 months ended 30/09/2012	Corresponding 3 months ended 31/12/2011	For the Nine Months ended 31/12/2012	For the Nine Months ended 31/12/2011	Previous year ended 31/03/2012
	- Number of underlying Equity Shares	6,989,399	6,989,399	7,008,746	6,989,399	7,008,746	7,008,746
	- Percentage of Share Holding	4.38%	4.41%	10.11%	4.38%	10.11%	10.11%
Particulars		3 Months ended 31/12/2012					
B INVESTOR COMPLAINTS							
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	Nil					
	Disposed of 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 February 7, 2013. In accordance with Clause 41 of the Listing Agreement the Statutory Auditors have carried out a 'Limited Review' of the consolidated results for the quarter and nine months ended December 31, 2012					
2	Exceptional items comprise - Rs. In Lakhs					
	Particulars	3 Months ended 31/12/2012	Preceding 3 months ended 30/09/2012	Corresponding 3 months ended 31/12/2011	For Nine Months ended 31/12/2012	For the Nine Months ended 31/12/2011
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Exchange Loss/(Gain) arising on restatement of Foreign Currency Convertible Bonds	-	-	1,025	-	4,955
	Reversal of stock compensation expenses recorded earlier pursuant to voluntary surrender of options by employees	-	-	(404)	-	(404)
	Gain on Sale of Assets pertaining to Activation business during the quarter ended September 30, 2011 net of Redundancy costs	-	-	-	-	(56)
	Other Redundancy costs	-	-	596	-	596
	Goodwill Impairment*	-	927	-	927	-
	Exceptional Provision for Doubtful trade and other receivables**	-	3,070	-	3,070	-
	TOTAL	-	3,997	1,217	3,997	5,479
	*The company had impaired goodwill outstanding in books pertaining to its services business during the period ended December 31, 2012. 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 nine month period ended December 31, 2012, the Company carried out an assessment of its receivables and an amount of Rs. 3,070 lakhs has been provided during that period towards doubtful receivables. Considering that the amount of provision towards doubtful receivables is significant and relevant in understanding the financial performance, it is disclosed separately under exceptional item.					
3	Summary of Key Standalone Financial results is as follows - Rs. In Lakhs					
	Particulars	3 Months ended 31/12/2012	Preceding 3 months ended 30/09/2012	Corresponding 3 months ended 31/12/2011	For Nine Months ended 31/12/2012	For the Nine Months ended 31/12/2011
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Net Sales/ Income from Operations	7,737	6,160	9,267	19,614	24,769
	Profit / (Loss) from ordinary activities before tax	843	(2,801)	1,597	(2,821)	(755)
	Profit / (Loss) from ordinary activities after tax	843	(2,801)	1,597	(2,821)	(865)
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 31/12/2012	Preceding 3 months ended 30/09/2012	Corresponding 3 months ended 31/12/2011	For Nine Months ended 31/12/2012	For the Nine Months ended 31/12/2011
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Revenue would have been lower by	-	959	-	959	-
	Expenses termed as Exceptional Items would have been higher / (lower) by	-	359	-	359	-
	Net (loss)/profit would have been (lower)/higher by	-	1,318	-	1,318	-
	Earnings / (Loss) Per Share would have been					
	-Basic	0.48	(4.91)	2.36	(5.61)	2.40
	- Diluted	0.45	(4.91)	2.33	(5.61)	2.37
5	In view of the losses incurred by the Company during the nine months ended December 31, 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 December 31, 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 million 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 retaining a balance of US\$ 91.4 million. 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 obtained a legal opinion that the said transaction of restructuring is a tax exempt transfer and is in the process of obtaining a legal opinion on the tax incidence, if any, consequent to the above restructuring on the redemption premium. This is a subject matter of Auditors Qualification					
	The Company has issued 737,882 equity shares upon conversion of FCCBs of principal amount of US\$ 300,000 by the holder(s) of Company's US\$ 91.4 million 5.70% Convertible Secured Bonds. Post the conversion, FCCBs aggregating to US\$ 91.10 million are outstanding under the said Bonds.					
7	During the nine month period ended December 31, 2012, 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. The losses for the quarter ended December 31, 2011 would have been higher by Rs. 2,536 lakhs had the above policy been followed during quarter and period ended September 30, 2011.					
9	During the Quarter ended December 31, 2012, the Company has granted 39,300 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 Nine Months ended	For the Nine Months ended	Previous year ended
		31/12/2012	30/09/2012	31/12/2011	31/12/2012	31/12/2011	31/03/2012
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue:						
(a)	Products & Product related	8,720	6,969	11,728	22,775	33,321	42,949
(b)	Services	340	835	1,414	2,287	3,664	4,834
		9,060	7,804	13,142	25,062	36,985	47,783
2	Segment Profit/(Loss) before tax, interest & exceptional Items						
(a)	Products & Product related	1,096	(511)	4,210	1,038	10,470	13,187
(b)	Services	1,228	(157)	39	1,032	(194)	96
		2,324	(668)	4,249	2,070	10,276	13,283
	Less: Interest (Net)	1,445	1,314	1,104	3,568	3,201	4,285
	Less : Other Unallocable (Income)/Expenditure & Exceptional items [Net]	-	3,997	(1,217)	3,997	(5,091)	5,479
	Profit Before Taxation	879	(5,979)	1,928	(5,495)	1,984	3,519
3	Details of Capital Employed						
(a)	Products & Product related Capital Employed (Products & Product related)	93,784	92,180	90,480	93,784	90,480	90,885
(b)	Services Capital Employed (Services)	(250)	(41)	1,118	(250)	1,118	1,119
(c)	Unallocated Capital Employed (Unallocated)	(69,360)	(68,067)	(82,844)	(69,360)	(82,844)	(77,544)
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.						
<p><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></p>							
						By Order of the Board	
Bangalore February 7, 2013						Surjeet Singh Managing Director & CEO	
<i>For further details on the results, please visit our website: www.subex.com</i>							

SUBEX LTD

Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037
Statement of Standalone Unaudited Results for the Quarter and Nine Months Ended December 31, 2012

PART I		(Rs. In Lakhs except per share data)					
		STANDALONE					
Particulars	3 Months ended	Preceding 3 months ended	Corresponding 3 months ended	For the Nine Months ended	For the Nine Months ended	Previous year ended	
	31/12/2012	30/09/2012	31/12/2011	31/12/2012	31/12/2011	31/03/2012	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Income From Operations						
(a)	Net Sales/ Income From Operations	7,737	6,160	9,267	19,614	24,769	
	Total Income From Operations (Net)	7,737	6,160	9,267	19,614	24,769	
2	Expenses						
(a)	Cost of Hardware, Software & Services	45	106	45	172	759	
(b)	Employee Benefits Expense	1,604	1,724	1,802	5,130	6,175	
(c)	Marketing and Allied Service Charges	3,372	2,878	2,929	9,727	8,153	
(d)	Other Expenditure	904	759	1,037	2,523	2,838	
(e)	Depreciation and Amortisation Expense	50	63	91	180	278	
	Total Expenses	5,975	5,530	5,904	17,732	18,203	
3	Profit From Operations before Other Income, Finance costs and Exceptional Items (1-2)	1,762	630	3,363	1,882	6,566	
4	Other Income						
(a)	Miscellaneous Income	78	-	-	108	26	
(b)	Exchange Fluctuation Gain/(Loss)-Net	356	(428)	38	301	273	
5	Profit From Ordinary activities before Finance costs and Exceptional Items (3±4)	2,196	202	3,401	2,291	6,865	
6	Finance Costs	1,353	1,339	1,002	3,448	2,861	
7	Profit / (Loss) From Ordinary activities after Finance costs but before Exceptional Items (5±6)	843	(1,137)	2,399	(1,157)	4,004	
8	Exceptional Items (Net Expense)(Refer Note 2)	-	1,664	802	1,664	4,759	
9	Profit / (Loss) from Ordinary activities before Tax (7±8)	843	(2,801)	1,597	(2,821)	(755)	
10	Tax Expense (Net)	-	-	-	-	110	
11	Net Profit / (Loss) from Ordinary activities after Tax (9±10) (Refer Note 3 and 7)	843	(2,801)	1,597	(2,821)	(865)	
12	Paid up Share Capital - Equity (Face value of Rs.10/-)	15,938	15,865	6,931	15,938	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 interim periods):						
(a)	Basic	0.53	(1.86)	2.30	(2.21)	(1.25)	
(b)	Diluted	0.47	(1.86)	2.27	(2.21)	(1.25)	
PART II							
A PARTICULARS OF SHAREHOLDING							
1	Aggregate of Public shareholding:*						
	Number of shares	143,920,673	143,182,791	54,200,225	143,920,673	54,200,225	
	Percentage of shareholding (to total shareholding)	90.30%	90.25%	78.20%	90.30%	78.20%	
2	Promoters and promoter group shareholding						
(a)	Pledged/Encumbered						
	- Number of shares	8,474,044	8,474,044	7,601,801	8,474,044	7,601,801	
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	93.83%	100.00%	93.83%	
	- Percentage of shares (as a % of the total share capital of the company)	5.32%	5.34%	10.97%	5.32%	10.97%	
(b)	Non-encumbered						
	- Number of Shares	-	-	500,000	-	500,000	
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	6.17%	0.00%	6.17%	
	- Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.72%	0.00%	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 31/12/2012	Preceding 3 months ended 30/09/2012	Corresponding 3 months ended 31/12/2011	For the Nine Months ended 31/12/2012	For the Nine Months ended 31/12/2011	
	- Number of underlying Equity Shares	6,989,399	6,989,399	7,008,746	6,989,399	7,008,746	
	- Percentage of Share Holding	4.38%	4.41%	10.11%	4.38%	10.11%	
	Particulars	3 Months ended 31/12/2012					
B	INVESTOR COMPLAINTS						
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	Nil					
	Disposed of 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 February 7, 2013. In accordance with Clause 41 of the Listing Agreement the Statutory Auditors have carried out a 'Limited Review' of the standalone results for the quarter and nine months ended December 31, 2012

2 Exceptional items comprise -

Rs. In Lakhs

Particulars	3 Months ended 31/12/2012	Preceding 3 months ended 30/09/2012	Corresponding 3 months ended 31/12/2011	For the Nine Months ended 31/12/2012	For the Nine Months ended 31/12/2011	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	-	-	1,017	-	4,974	5,308
Reversal of stock compensation expenses recorded earlier pursuant to voluntary surrender of options by employees	-	-	(215)	-	(215)	(215)
Exceptional Provision for Doubtful trade and other receivables*	-	1,664	-	1,664	-	-
TOTAL	-	1,664	802	1,664	4,759	5,093

*During the nine month period ended December 31, 2012, the Company carried out an assessment of its receivables and an amount of Rs. 1,664 lakhs has been provided towards doubtful receivables. Considering that the amount of provision towards doubtful receivables is significant and relevant in understanding the financial performance, 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 31/12/2012	Preceding 3 months ended 30/09/2012	Corresponding 3 months ended 31/12/2011	For the Nine Months ended 31/12/2012	For the Nine Months ended 31/12/2011	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	0.53	(2.73)	2.30	(3.24)	(1.25)	(3.37)
- Diluted	0.47	(2.73)	2.27	(3.24)	(1.25)	(3.37)

4 In view of the losses incurred by the Company during the nine month period ended December 31, 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 December 31, 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 million 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 retaining a balance of US\$ 91.4 million. 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 obtained a legal opinion that the said transaction of restructuring is a tax exempt transfer and is in the process of obtaining a legal opinion on the tax incidence, if any, consequent to the above restructuring on the redemption premium. This is a subject matter of Auditors Qualification

The Company has issued 737,882 equity shares upon conversion of FCCBs of principal amount of US\$ 300,000 by the holder(s) of Company's US\$ 91.4 million 5.70% Convertible Secured Bonds. Post the conversion, FCCBs aggregating to US\$ 91.10 million are outstanding under the said Bonds.

6 During the nine month period ended December 31, 2012 the Company 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. The losses for the quarter ended December 31, 2011 would have been higher by Rs. 2,536 lakhs had the above policy been followed during quarter and period ended December 31, 2011.

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 December 31, 2012, the Company has granted 39,300 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
February 7, 2013

By Order of the Board

Surjeet Singh
Managing Director & CEO

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