

SUBEX LIMITED									
Registered office: RMZ Ecoworld, Outer Ring Road, Devarabasanahalli, Bangalore - 560 037									
Statement of Standalone Unaudited Results for the quarter and nine months ended December 31, 2015									
(₹ in Lakhs unless otherwise stated)									
PART I									
Particulars	Standalone					Year to date figures for the nine months ended December 31,			
	3 months ended December 31,		Preceding 3 months ended September 30,		Corresponding 3 months ended December 31,	2015			Previous year ended March 31,
	2015	Unaudited	2015	Unaudited		Unaudited	Unaudited	2015	
1	Income from operations								
	Net sales/ income from operations	7,634	Unaudited	7,274	Unaudited	7,845	Unaudited	21,338	21,041
	Total income from operations (net)	7,634		7,274		7,845		21,338	21,041
2	Expenses								
(a)	Cost of hardware, software and support charges	52		53		21		108	398
(b)	Employee benefits expense and sub- contract charges (refer note 4)	1,805		2,111		1,940		5,942	5,606
(c)	Marketing and allied service charges (refer note 5)	2,979		2,661		3,291		8,461	9,314
(d)	Other expenditure	1,180		1,180		1,334		3,433	3,717
(e)	Depreciation and amortisation expense	67		66		59		199	195
(f)	Exchange fluctuation (gain)/loss (net) (refer note 2(d)(ii))	(617)		283		434		(80)	1,006
	Total expenses	5,466		6,354		7,079		18,063	20,236
3	Profit from operations before other income, finance costs and tax (1-2)	2,168		920		766		3,275	805
4	Other income	50		56		66		183	156
5	Profit from ordinary activities before finance costs and tax (3+4)	2,218		976		832		3,458	961
6	Finance costs								
(a)	Interest on FCCBs (net) (refer note 2(d)(i) & 2(e))	(4,260)		(924)		818		(5,659)	2,513
(b)	Other finance costs	357		304		459		953	1,404
	Total finance cost	(3,903)		(620)		1,277		(4,706)	3,917
7	Profit/(Loss) from ordinary activities before tax (5-6)	6,121		1,596		(445)		8,164	(2,956)
8	Tax expense (net)	169		298		67		517	105
9	Net Profit/(Loss) for the period/year (7-8)	5,952		1,298		(512)		7,647	(3,061)
10	Paid up share capital								
	- Equity (face value of ₹ 10/-)	42,175		26,402		17,476		42,175	17,476
11	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-		-		-		-	-
12	Earnings/(Loss) per share (of ₹ 10/- each) (not annualised in case of the interim periods):								
(a)	- Basic	1.82		0.61		(0.30)		3.11	(1.82)
(b)	- Diluted	1.31		0.54		(0.30)		2.18	(1.82)

Notes :

The above results have been reviewed by the Board of Directors in their meeting held on February 10, 2016.

(a) Pursuant to the approval of the holders of "US\$ 180 Million 2% convertible unsecured bonds", [of which US\$ 39 Million was outstanding ("FCCBs I")] and "US\$ 98.7 Million 5% convertible unsecured bonds", [of which US\$ 54.8 Million was outstanding ("FCCBs II")], at their respective meetings held on July 05, 2012 and exchange offers received under the exchange offer memorandum dated June 13, 2012, holders of US\$ 38 Million out of FCCBs I and US\$ 53.4 Million out of FCCBs II offered their bonds for exchange. Consequently, secured bonds with a face value of US\$ 127.721 Million ("FCCBs III") were issued with maturity date of July 07, 2017, having an interest rate of 5.70% p.a. payable semi-annually, an exchange rate for conversion of ₹ 56.0545/US\$ and an equity conversion price of ₹ 22.79 per equity share. In accordance with the terms of FCCBs III, principal amount of US\$ 36.321 Million was mandatorily converted into equity shares at the aforesaid conversion price on July 07, 2012. Further, pursuant to the approval of the Reserve Bank of India dated April 27, 2012 and requisite approvals of the bond holders, the maturity period of the un-exchanged portion of FCCBs I of US\$ 1 Million and FCCBs II of US\$ 1.4 Million stands extended to March 09, 2017, with its other terms and conditions remaining unchanged.

(b) The Board in its meeting held on May 14, 2015 has approved the reset of conversion price of the FCCBs III, which are convertible into equity shares of the Company, from ₹ 22.79 to ₹ 13.00 per equity share. Subsequently, the reset of the conversion price has been approved by the shareholders in the annual general meeting held on June 19, 2015 and the bondholders in their meeting held on August 5, 2015. The Board in its meeting held on August 26, 2015 has approved August 26, 2015 as the effective date of reset of conversion price of ₹ 13 per share.

As a result of the aforesaid reset of conversion price, the said bonds with outstanding face value of US\$ 23.35 Million as at December 31, 2015 would potentially be converted into 100,682,506 equity shares at an exchange rate of ₹ 56.0545/US\$ with a conversion price of ₹ 13 per equity share. During the month of December 2015 and January 2016, conversion requests from the bondholders of FCCBs III amounting to US\$ 9 million and US\$ 7.8 Million respectively have been received by the Company, which are pending to be approved by the Board of Directors, which would potentially be converted into 72,439,662 equity shares at an exchange rate of ₹ 56.0545/US\$ with a conversion price of ₹ 13 per equity share.

(c) (i) Of the outstanding FCCBs III of US\$ 91.40 Million as of July 2012, US\$ 68.05 Million have been converted till the quarter and nine months ended December 31, 2015.

Financial year/ period	FCCBs converted US\$ Million	Conversion rate per US\$	Conversion price	No. of equity shares
2012-13	3.25	₹ 56.0545	₹ 22.79	7,993,931
2014-15	6.62	₹ 56.0545	₹ 22.79	16,282,613
Quarter ended June 30, 2015	6.50	₹ 56.0545	₹ 22.79	15,987,461
Quarter ended September 30, 2015	15.10	₹ 56.0545	₹ 13.00	65,109,454
Quarter ended December 31, 2015	36.58	₹ 56.0545	₹ 13.00	157,728,731

(ii) The face value of FCCBs outstanding as on December 31, 2015 is as follows:

Particulars	US\$ Million	₹ in Lakhs
FCCBs I	1.00	662
FCCBs II	1.40	926
FCCBs III	23.35	15,447
Total	25.75	17,035

(d) (i) Interest on FCCBs is net of reversal of interest accrued but not due in relation to FCCBs III which has been written back as the same is considered no longer payable due to the conversion of FCCBs III into equity shares of the Company. Such reversals for the quarter and comparative periods are as detailed below:

Particulars	3 months ended December 31, 2015 Unaudited	Preceding 3 months ended September 30, 2015 Unaudited	Corresponding 3 months ended December 31, 2014 Unaudited	Year to date figures for the nine months ended December 31, 2015 Unaudited	2014 Unaudited	Previous year ended March 31, 2015 Audited
FCCBs converted (US\$ million)	36.58	15.10	2.30	58.18	3.30	6.62
Reversal of interest accrued but not due (₹ in lakhs)	(4,744)	(1,715)	-	(7,642)	-	-

Particulars	3 months ended December 31,	Preceding 3 months ended September 30,	Corresponding 3 months ended December 31,	Year to date figures for the nine months ended December 31,	Previous year ended March 31,
	2015	2015	2014	2015	2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited

(e) The FCCB bond holders in their respective meetings have approved the deferral of aggregate interest of US\$ 4.71 Million (₹ 3,115.96 Lakhs) in respect of outstanding FCCBs III of USD 23.35 Million for the period July 6, 2012 to January 5, 2016 till redemption date of the bonds, being July 07, 2017. Accordingly, interest on FCCBs III included under finance costs in the above results is due for payment on July 07, 2017.

Employee benefits expense and sub-contract charges for the quarters ended December 31, 2015, September 30, 2015 and December 31, 2014 are net of reversal of provision no longer required, in respect of employee incentives, amounting to ₹ 273 Lakhs and ₹ 76 Lakhs, and ₹ Nil, respectively and that for the nine months ended December 31, 2015, December 31, 2014 and the year ended March 31, 2015 amounting to ₹ 351 Lakhs, ₹ 135 Lakhs and ₹ 135 Lakhs, respectively.

The Company has only single business segment with respect to software products and related services and hence has not made any additional segment disclosures.

By Order of the Board

February 10, 2016