

SCHEME OF REDUCTION OF CAPITAL

BETWEEN

SUBEX LIMITED

AND

ITS SHAREHOLDERS

UNDER SECTION 66 READ WITH SECTION 52 OF THE COMPANIES ACT, 2013 AND
NATIONAL COMPANY LAW TRIBUNAL (PROCEDURE FOR REDUCTION OF SHARE
CAPITAL OF COMPANY) RULES, 2016



SCHEME FOR REDUCTION OF CAPITAL OF SUBEX LIMITED

The Scheme is divided into the following paragraphs:

- (a) **Part I** which deals with Definitions and Interpretations;
- (b) **Part II** which deals with details of Subex Limited (including its capital structure);
- (c) **Part III** which deals with reduction of share capital of Subex Limited; and
- (d) **Part IV** which deals with the General Clauses and Other Terms and Conditions.

PART I

1. DEFINITIONS

In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned herein below:

- a) **"Act" or "the Act"** means the Companies Act, 2013 and shall include any rules, regulations, orders, statutory modification, amendment or re-enactment thereof from time to time;
- b) **"Accumulated Losses"** means the losses that have been brought forward from previous years and having such amount as shown in the unaudited standalone financials of the Company as on 31 December 2019;
- c) **"Board" or "Board of Directors"** means Board of Directors of the Company;
- d) **"BSE"** shall mean Bombay Stock Exchange Limited;
- e) **"Company" or "Subex"** means Subex Limited, a company incorporated under the Companies Act, 1956 on 6 December 1994 having its registered office at RMZ ECOWORLD, Outer Ring Road, Devarabisanahalli, Bengaluru, Karnataka 560103;
- f) **"DSE" or "Designated Stock Exchange"** means a Stock Exchange which is chosen by the Company in accordance with SBI Circular Ref. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by SEBI read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and for the purpose of the Scheme, BSE Limited is the DSE;
- g) **"Equity Shares"** means fully paid equity shares of Rs 10 each issued by the Company;
- h) **"NCLT"** shall mean the National Company Law Tribunal or such Tribunal or any other appropriate authority having jurisdiction to approve the Scheme as per the law for the time being in force;



- i) **"NSE"** shall mean National Stock Exchange of India Limited;
- j) **"Record date"** means the date to be fixed by the Board of Directors or a committee authorized by the Board for the purpose of giving effect to the orders of the NCLT sanctioning the scheme;
- k) **"Rules"** means National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016;
- l) **"SEBI"** shall mean the Securities and Exchange Board of India;
- m) **"Securities Premium Account"** shall mean the securities premium account maintained by the Company in accordance with the provision of Section 52 of the Companies Act, 2013 and having such amount as shown in the unaudited standalone financials of the Company as on 31 December 2019;
- n) **"Stock Exchanges"** shall mean NSE and BSE collectively;
- o) **"Effective Date"** for the Scheme shall mean the date on which certified copies of the order of the NCLT under Section 52 of the Companies Act, 2013 and Section 66 of the Companies Act, 2013 read with National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable), are filed with the Registrar of Companies and if the certified copies are filed on different dates, the last of such dates;
- p) **"This Scheme"** or **"The Scheme"** or **"Scheme"** means this Scheme of reduction of capital between the Company & its Shareholders in its present form or with such alterations/ modifications as may be approved, imposed or directed by the NCLT of relevant jurisdiction under the applicable laws;
- q) **"Shareholder"** means a person holding Equity shares who is registered as a member in the Register of members of the Company.

The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.



PART II

1. DETAILS OF THE COMPANY

A. Incorporation of the Company

The Company was incorporated as a Private Limited Company under the name and style "Subex Systems Private Limited" on 6 December 1994 with the Registrar of Companies, Karnataka ("RoC") under the Companies Act, 1956. Subsequently, the Company was converted into a Public Limited Company and its name was changed to Subex Systems Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on 16 November 1995. Further, the name of the Company was changed to Subex Azure Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on 23 June 2006. Thereafter, the name of the Company was changed to Subex Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on 23 November 2007.

The registered office of the Company is at RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bengaluru, Karnataka 560103. The Company has its equity shares presently listed on both NSE and BSE.

This scheme of reduction of capital (herein after referred to as "Scheme") is made pursuant to the provisions of Section 52 of the Companies Act, 2013 and Section 66 of the Companies Act, 2013 read with National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable) and provides for writing off the Accumulated Losses against the paid-up share capital and the Securities Premium Account balance of the Company.

B. Main Objects of the Company

1. To carry on all kinds of businesses of designers, manufacturers, processors, assemblers, dealers, traders, distributors, importers, exporters, agents, consultants, system designers and contractors for erection and commissioning on turnkey basis or to deal in any other manner including storing, packing, transporting, converting, repairing, installing, training, servicing, maintenance of all types, varieties and kinds of satellite communication equipments and accessories including VSA Terminals, Hub stations suitable for voice, data, and facsimile communications, other communication equipments including Fibre optic instruments, telephone instruments, inter-coms, accessories, cables and components thereof: Radio and mobile communication equipments like receivers, transmitters, trans-receivers, walkie talkie, radio relay equipment, point to point communication equipments, antennas and associated equipment, single channel, multi-channel, fixed frequency, variable frequency, static, mobile, airborne,



shipborne equipments I HF, UHF and Microwave spectrum, and associated equipments, sonic, ultrasonic and coding and data transmission equipments, data acquisition, processing and logging equipments, display terminals; Signaling, telecommunication and control equipments, used in roads, railways, ships, aircrafts, ports, airports, railway stations, public places along with associated accessories and test rigs and instruments, testing equipments, accessories for repair, maintenance, calibration and standardization of all the aforementioned items in laboratories, service centers, processing plant, manufacturing plant and at customers places.

2. To manufacture, produce, assembly, buy, sell distribute, lease, import, export, exhibit, use, manipulate, work or otherwise deal in all kinds of Machinery, Equipment and aids used for Manufacture of the above equipments.
3. To install, operate, maintain, lease, hire, sell acquire, deal in private communication networks including telephone exchanges, satellite stations.
4. To carry on the business of software development, designing, customisation, implementation, maintenance, testing and benchmarking of all softwares and dealing in computer software and solutions, and to import, export, sell, purchase, distribute, host or otherwise deal in own and third party computer software packages, programs and solutions, and to provide internet / web based applications, services and solutions, provide or take up information technology related assignments on sub-contracting basis, offering services on-site/ offsite or through development centres using owned/ hired or third party infrastructure and equipment, to undertake information technology enabled services like data processing, back office processing, data warehousing and database management.
5. To offer consultancy, advisory and all related services in all areas of information technology including computer hardware and software, data communication, telecommunications, process control and automation, project management, information technology requirements management, artificial intelligence, natural language processing and to undertake research and development, to all persons, entities, governments, bodies whether private or public in India and outside India.



C. Capital Structure of the Company:

The capital structure of the Company as per the audited financial statements as on 31 March 2019 and unaudited standalone financial statements as on 31 December 2019, are as under:

(Figures in INR)

Particulars	31 March 2019	31 December 2019
Authorised Capital:		
588,040,000 Equity Shares of Rs 10 each	5,88,04,00,000	5,88,04,00,000
200,000 Preference Shares of Rs 98 each	1,96,00,000	1,96,00,000
Total	5,90,00,00,000	5,90,00,00,000
Issued, Subscribed and Fully paid up capital:		
562,002,935 Equity Shares of Rs 10 each	5,62,00,29,350	5,62,00,29,350
Total	5,62,00,29,350	5,62,00,29,350

D. Compliance with tax laws:

The Scheme has been drawn up to comply with the provisions of the Income Tax Act, 1961, if and to the extent applicable. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the Act at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provision of the Income Tax Act, 1961.

PART-III

1. RATIONALE AND PURPOSE OF THE REDUCTION

- The Company's financial statements currently reflect Accumulated Losses (i.e., debit balance of profit and loss account) of Rs 3,84,01,09,702 (Rupees Three Hundred and Eighty Four Crores One Lakh Nine Thousand Seven Hundred and Two Only) based on its unaudited standalone financial statements for the period ended 31 December 2019. Accumulated losses have substantially wiped off the value represented by the Share Capital. This has given rise to the need for re-adjustment of capital in its books of accounts. Accordingly, with the future prospect of growth and value addition to the Company and its Shareholders, the Company now proposes to re-align the relationship between its capital and assets.
- By article 3(2)(c) of the Articles of Association of the Company, the Company is authorized to reduce its share capital in any manner and in accordance with the provisions of the Act.



- c) In the above context, the Company, in accordance with Section 52 of the Companies Act, 2013 and Section 66 of the Companies Act, 2013 read with National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable), and subject to the consent of the Shareholders and the approval from NCLT and other statutory authorities as and where applicable, proposes to write-off the Accumulated Losses of Rs 3,84,01,09,702 (Rupees Three Hundred and Eighty Four Crores One Lakh Nine Thousand Seven Hundred and Two Only) reflecting in the unaudited financial statements of the Company as on 31 December 2019, with its paid-up share capital and Securities Premium Account balance, to have a rational structure which is commensurate with its remaining business and assets.
- d) The issued, subscribed and paid-up capital of the Company is Rs 5,62,00,29,350 (Rupees Five Hundred and Sixty Two Crores Twenty Nine Thousand and Three Hundred and Fifty Only) comprising of 56,20,02,935 Equity Shares of Rs 10 each as on 31 December 2019.
- e) Under Section 52 of the Companies Act, 2013 the balance in the Securities Premium Account can only be utilized for purposes specified therein, and any utilization of Securities Premium Account for other purposes would be construed as reduction in capital and the provisions of Section 66 of the Companies Act, 2013 would accordingly be applicable in respect of such reduction.
- f) Hence, the Board of Directors believe that in order to present a fair position of the affairs of the Company, the most practical and economically efficient option available to the Company at present would be to utilize the paid-up share capital and balance lying in the Securities Premium Account to the extent of writing off the Accumulated Losses of the Company, subject to the confirmations/ sanctions of the requisite majority of Shareholders of the Company and the NCLT or such other appropriate authority, as may be applicable.

2. OBJECTS/ BENEFITS ARISING OUT OF THE SCHEME

- a) Under this Scheme, if approved, the books of the Company would better represent its financial position which would help the Company position itself better in the market and undertake business activities efficiently. This would be value accretive to the Shareholders as well, as their holdings would yield better results.
- b) The proposed restructuring under the Scheme, if approved, would enable the Company to explore opportunities for the benefit of its Shareholders, including in the form of dividend payments, in terms of the applicable law.



- c) The Scheme, if approved, may enable the Company to avail business opportunities that it was unable to take advantage of, because of it experiencing Accumulated Losses.
- d) The reduction of capital in the manner proposed would enable the Company to have a rational structure which is commensurate with its remaining business and assets.
- e) The Scheme of reduction, after full implementation, will result in making its the Company's balance sheet leaner and downsized.
- f) The proposed Scheme would be for the overall benefit of the Company, its creditors, Shareholders and all other stakeholders.
- g) The proposed Scheme will enable the Company to use a part of the amount which is lying unutilized in the Securities Premium Account of the Company in an effective manner for the benefit of the Company.
- h) The Scheme, if approved, would provide greater flexibility to the Company in raising funds either from the capital market or from any Bank/ Financial Institutions in the form of equity or debt, depending upon the business needs of the Company.

The Scheme is merely a reduction in the Share Capital of the Company prepared in terms of Section 52 of the Companies Act, 2013 and Section 66 of the Companies Act, 2013 read with National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable) and does not envisage transfer, conveyance or vesting of any of the properties and/ or liabilities of the Company to any person or entity. Consequently, the order of the NCLT approving the Scheme will not attract any stamp duty in this regard under the applicable provisions of the Indian Stamp Act, 1899 or Karnataka Stamp Act, 1957.

The reduction of share capital (including Securities Premium Account) does not entail diminution of any liabilities of the Company in respect of any unpaid capital nor entails payment to any Shareholder of any paid-up capital. Further, the reduction of capital (including Securities Premium Account) does not result in any prejudice to the Shareholders, creditors, or any other stakeholders of the Company nor for that matter adversely affect the ordinary operations of the Company or its ability to honour its commitments or to pay its debts in the ordinary course of its business.

The consent of the members of the Company to this Scheme of reduction of capital of the Company shall be taken through a resolution under the provisions of Section 52 of the Companies Act, 2013 and Section 66 of the Companies Act, 2013 read with National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable



provisions of the Companies Act, 2013 (to the extent applicable) and any other applicable provisions.

3. EFFECT OF THE SCHEME

- a) The proposed reduction of capital pursuant to the Scheme, by reducing the share capital and Securities Premium Account of the Company against its Accumulated Losses, shall be reflected in the books of accounts of the Company, on the Effective Date, in following manner:

Capital structure of the Company pre and post Scheme is reflected in the table below:

(Figures in INR)

Pre-reduction			Post-reduction		
Particulars	No of shares	Amount	Particulars	No of shares	Amount
Authorized Share Capital					
Equity shares of face value Rs 10 each	58,80,40,000	5,88,04,00,000	Equity shares of face value Rs 5 each	1,17,60,80,000	5,88,04,00,000
Preference shares of face value Rs 98 each)	2,00,000	1,96,00,000	Preference shares of face value Rs 98 each)	2,00,000	1,96,00,000
Issued, subscribed and paid up Share Capital					
Equity shares of face value Rs 10 each	56,20,02,935	5,62,00,29,350	Equity shares of face value Rs. 5 each	56,20,02,935	2,81,00,14,675

The pre and post reduction of Securities Premium Account of the Company against its remaining Accumulated losses:

(Figures in INR)

Particulars	Pre-reduction	Proposed reduction	Post-reduction
Securities Premium Account	2,67,04,28,364	1,03,00,95,027	1,64,03,33,337
Profit and Loss (Dr) i.e. Accumulated Losses	3,84,01,09,702	3,84,01,09,702	NIL

- b) The aforesaid reduction is proposed to be effected by reducing the face value of each fully paid up Equity Share from Rs 10 to Rs 5.



- c) Upon Scheme being effective, the paid-up share capital of the Company shall get reduced from Rs 5,62,00,29,350, (Rupees Five Hundred and Sixty Two Crores Twenty Nine Thousand Three Hundred and Fifty Only) divided into 56,20,02,935 Equity Shares of Rs 10 each to Rs 2,81,00,14,675 (Rupees Two Hundred and Eighty One Crores Fourteen Thousand Six Hundred and Seventy Five Only) divided into 56,20,02,935 Equity Shares of Rs 5 each and the amount standing to the credit of the Securities Premium Account shall get reduced from Rs 2,67,04,28,364 (Rupees Two Hundred and Sixty Seven Crores Four Lakhs Twenty Eight Thousand Three Hundred and Sixty Four Only) to Rs 1,64,03,33,337 (Rupees One Hundred and Sixty Four Crores Three Lakhs Thirty Three Thousand Three Hundred Thirty Seven Only).
- d) The proposed reduction will be for the benefit of the Company and its Shareholders, creditors and all concerned stakeholders. Such reduction will not cause any prejudice to the creditors of the Company. The reduction of capital does not involve either the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up share capital. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.
- e) The Company shall not be required to use the words "AND REDUCED" as part of its corporate name and such use is dispensed with.

4. ALTERATION OF AUTHORIZED SHARE CAPITAL

Upon this Scheme becoming effective, the authorized share capital of the Company shall be modified with regard to the face value of Equity Shares from Rs 10 to Rs 5 per share. Clause V of the Memorandum of Association and relevant article(s) of the Articles of Association of the Company, if any, shall stand modified/ altered to give effect to the reduction in face value of the Equity Shares of the Company from Rs 10 to Rs 5 per share, without any further approval.

Accordingly, clause V of the Memorandum of Association of the Company shall, without any further act or deed, stand replaced with the following clause V:

The Authorized Share Capital of the Company is Rs. 590,00,00,000 (Rupees Five Hundred and Ninety Crores only) divided into 117,60,80,000 (One Hundred and Seventeen Crores Sixty lakhs and Eighty thousand) equity shares of Rs. 5 (rupees five only) each and 2,00,000 (Two lakhs only) preference shares of Rs. 98 (Rupees Ninety Eight only) each.

It is clarified that the approval of members of the Company to the proposed reduction of capital and this Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum and Articles of Association of the Company as may be required under the Act.



PART-IV

1. CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to:

- a) The Scheme being agreed to be the respective requisite majority of members of the Company as required under the Act, being obtained;
- b) The requisite sanctions and approvals under the applicable law including but not limited to approvals, sanctions required under the SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by SEBI read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be required by law in respect of this Scheme, being obtained;
- c) The Scheme being approved by the NCLT under Section 52 of the Companies Act, 2013 and Section 66 of the Companies Act, 2013 read with National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable);
- d) The certified copy of the above order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies, Bengaluru.

2. COSTS, CHARGES AND EXPENSES

All past, present and future costs, charges, levies, duties and expenses in relation to or in connection with or incidental to the proposed Scheme of reduction of share capital and of carrying out and implementing/ complementing thereof shall be borne and paid solely by the Company and all above costs shall be treated as costs relating to the Scheme.

3. IMPACT OF THE SCHEME ON EMPLOYEES

The Scheme shall not have any adverse impact on the employees of the Company. All staff, workmen and other employees in the service of the Company immediately before the capital reduction shall stay as staff, workmen and employees of the Company after the capital reduction. Their service shall be continuous and shall not be interrupted by reason of this capital reduction. The terms and conditions of service applicable to the said staff, workmen or employees after such capital reduction shall not in any way be less favourable to them than those applicable to them immediately before the capital reduction.

The adjustments to the Company's employee stock option plan as may be required to give effect to the Scheme shall be effected as an integral part of the Scheme and the consent of the Shareholders to the Scheme shall be



deemed to be their consent in relation to all matters pertaining to the Company's employee stock option plan, including without limitation, modifying the Company's employee stock option plan, modifying the exercise price of the Company's existing options and all related matters, and no further approval of the Shareholders of the Company would be required in this connection under any applicable law. The Boards of Directors of the Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this clause.

4. IMPACT OF THE SCHEME ON CREDITORS/ BANKS/ FINANCIAL INSTITUTIONS

The proposed capital reduction would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or pay the debts in ordinary course of business. The above proposal, does not in any manner, alter, vary, or affect the rights of the Creditors/ Banks/ Financial institutions. They would in fact be generally benefitted as the Scheme would help improving the financial position of the Company.

The proposed capital reduction in any manner whatsoever does not, alter, vary, or affect the payment of any types of dues or outstanding amounts including all or any of the statutory dues payable or outstanding

5. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to other provisions contained in the Scheme, all contracts, Deeds, Bonds, Debentures, Agreements and other instruments of whatever nature to which the Company is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Company, as the case may be, and shall be enforced as fully and as effectually as before such reduction.

6. CONDUCT OF BUSINESS BY COMPANY

The Scheme does not involve any financial outlay / outgo and therefore, would not affect the ability or liquidity of the Company to meet its obligations/ commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Company during the course or after the approval of reduction of capital.

7. LEGAL PROCEEDINGS

If any suit, writ petition, appeal, revision or other proceedings of whatever nature by or against the Company are pending, the same shall not abate, be discontinued or be in any way prejudicially affected by the capital reduction, but such proceedings may be continued, prosecuted and enforced by or against the Company in the same manner and to the same extent as it would



be or might have been continued, prosecuted and enforced by or against the Company before such capital reduction.

8. APPLICATION TO THE NCLT

This involves reduction of share capital as contemplated by Article 3(2) of the Articles of Association of the Company and approvals of the Hon'ble National Company Law Tribunal, Bengaluru Bench, Karnataka under Section 52 of the Companies Act, 2013 and Section 66 of the Companies Act, 2013 read with National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable) are to be sought as a measure of legal compliance, transparency, prudence and extra caution.

9. MODIFICATIONS/ AMENDMENTS OF THE SCHEME

The Company, by its Board or such other Committee/ person or persons, as the Board may authorize, may make, or affect or assent to any modification or amendment of the Scheme which the Hon'ble National Company Law Tribunal, Bengaluru Bench and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable by the Board for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out the Scheme or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected herewith, as may be considered by the Board to be in the best interest of the Company and its members including the withdrawal of the Scheme, and do all such acts, deeds and things as may be necessary, desirable or expedient for giving effect to the Scheme.

10. DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) hereto approved or imposed or directed by the Hon'ble National Company Law Tribunal, Bengaluru Bench, shall be effective from the Effective Date.

11. EFFECT OF NON-RECEIPT OF APPROVAL/ SANCTIONS

- a) In the event of any aforesaid sanction and approvals not being obtained and/or the resolution not being sanctioned by the Hon'ble National Company Law Tribunal, Bengaluru Bench and/or the order or orders not being passed as aforesaid, the Scheme shall become null and void and Company shall bear and pay the costs, charges and expenses for/or in connection therewith.
- b) In the event of any condition or amendment or modification that may be imposed by the Hon'ble National Company Law Tribunal, Bengaluru Bench or any competent authority, or if the Board of Directors of the Company decides, they shall be at a liberty to withdraw from the Scheme unconditionally.



12. SEVERABILITY

If, in the opinion of the Board, any part of the Scheme is found to be unworkable for any reason whatsoever, the same shall not affect the validity or implementation of other parts or provisions of the Scheme. If any part of this Scheme here of is invalid, ruled illegal by any appropriate authority of competent jurisdiction, or unenforceable under present or future laws, then such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected there by, unless the deletion of such part shall cause this Scheme to become materially adverse, in which case the Board shall attempt to bring a suitable modification to the Scheme. The Board shall be entitled to revoke, cancel and declare the Scheme to have no effect, if the Board is of the view that the coming in to effect of the Scheme would have adverse implications on the Company.

13. DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for interaction with SEBI shall be BSE Limited.

14. ACCOUNTING TREATMENT

The Company shall pass appropriate entries as per the applicable accounting policies and accounting standards (specified in section 133 or any other provision of the Companies Act 2013) as regards accounting for the reduction of Share Capital and Securities Premium Account and writing off the Accumulated Losses.

15. CANCELLATION OF SHARES

Upon this Scheme becoming effective,

- a) All those Shareholders of the Company who continue to hold their shares in physical form as on the Record Date shall be issued and delivered fresh share certificates consequent upon the reorganization of capital irrespective of whether such Shareholders surrender their old share certificates or not. The old share certificates held by them in the Company shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value and shall be non-usable and non-tradable on any stock exchange or otherwise on and from the record date. The Stock Exchanges shall also be intimated, on the Record Date in this regard.
- b) In the case of shares held in dematerialized and electronic form, the required procedure for reflecting the change in the holdings of the members of the Company, if and to the extent warranted, as a consequence of the sanctioning of this Scheme, shall be adopted for making the necessary alterations in the depository accounts of the Shareholders.



16. LISTING OF SHARES

Notwithstanding the reduction of capital of the Company in pursuance of the Scheme, the listing benefit of the Company on the Stock Exchanges where the existing Equity Shares of the Company are listed shall continue and the Company will comply with the applicable provisions of the listing agreement with the Stock Exchanges.

17. FORM OF MINUTE UNDER SECTION 66(5) OF THE COMPANIES ACT, 2013

The form of minute proposed to be registered under Section 66(5) of the Companies Act, 2013, is as follows:

"The issued, subscribed and paid up capital of Subex Limited is henceforth Rs 2,81,00,14,675 (Rupees Two Hundred and Eighty One Crores Fourteen Thousand Six Hundred and Seventy Five Only) divided into 56,20,02,935 (Fifty six crores twenty lakhs two thousand nine hundred and thirty five) Equity Shares of Rs 5 each. At the date of registration of this minute, 56,20,02,935 (Fifty Six Crores Twenty Lakhs Two Thousand Nine Hundred and Thirty Five) Equity Shares of Rs 5 each have been issued and are deemed to be fully paid up."



ARTICLE 10

Notwithstanding to the contrary of anything herein contained, the Board of Directors may, in its discretion, authorize the President or any officer or agent of the Corporation to execute any and all contracts, agreements, or instruments which may be necessary or proper in the conduct of the business of the Corporation.

ARTICLE 11

The Board of Directors may, in its discretion, authorize the President or any officer or agent of the Corporation to execute any and all contracts, agreements, or instruments which may be necessary or proper in the conduct of the business of the Corporation.

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