SUBEX

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November 10, 2017

To
BSE Limited
The National Stock Exchange of India Limited

Dear Sir/Madam,

Sub: Outcome of the Board Meeting of Subex Limited held on November 10, 2017

Please be informed that the agenda items summarized hereunder were discussed and approved at the Board Meeting of Subex Limited (the "**Company**") held today at Bengaluru:

1. Unaudited standalone and consolidated financial results of the Company for the quarter and half year ended September 30, 2017

2. The Board noted that, pursuant to: (i) the in-principle approval accorded by the Board of Directors of the Company ("**Board**") at its meeting No. 2/ 2017-18 held on May 25, 2017; (ii) the final approval accorded by the Board at its meeting No. 5/ 2017-18 held on August 21, 2017; and (iii) the approval accorded by the members of the Company vide postal ballot on September 23, 2017, pursuant to restructuring of the business of the Company:

    (i) Mr. Vinod Kumar Padmanabhan has ceased to be a whole-time director and is now a non-executive non-independent director of the Company.

    (ii) Mr. Ashwin Chalapathy has ceased to be a whole-time director and is now a non-executive non-independent director of the Company.

Pursuant to Regulation 33 (3) and Regulation 47 of the SEBI (LODR) Regulations, 2015 the Company has opted to publish its consolidated financial results. The standalone financial results, however, are being made available to the Stock Exchanges and are also being posted on the Company's website.

SUBEX LIMITED ★ BANGALORE-560103 ★

Please find enclosed:

1. The unaudited standalone and consolidated financial results of the Company for the quarter and half year ended September 30, 2017

2. A copy of the press release intended to be published to the media by the Company

The meeting concluded at 6:40 p.m. We request you to take the aforesaid notification on record.

Thanking you

Yours truly,
For Subex Limited

Surjeet Singh
Managing Director & CEO
DIN:05278780
ENCL: As above

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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Limited Review Report on Quarterly and Year to Date Standalone Financial Results of Subex Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Review Report to
The Board of Directors
Subex Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Subex Limited (the 'Company') for the quarter and six months ended September 30, 2017 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

S.R. Batliboi & Associates LLP
Bengaluru

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: November 10, 2017

SUBEX LIMITED

Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037

Statement of Unaudited Standalone Financial Results for the quarter and six months ended September 30, 2017

(₹ in Lakhs)

	Particulars	Quarter ended			Year to date figures for the six months ended		Year ended
		September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Income						
1	Revenue from operations	7,780	7,082	7,505	14,862	15,178	32,441
2	Other income (Refer note 8)	14	50	261	64	479	1,253
3	**Total income (1+2)**	**7,794**	**7,132**	**7,766**	**14,926**	**15,657**	**33,694**
4	**Expenses**						
(a)	Employee benefits expense (Refer note 9)	2,647	2,416	2,133	5,063	4,122	8,537
(b)	Finance costs	192	209	333	401	672	1,505
(c)	Depreciation and amortisation expense	230	102	67	332	132	273
(d)	Marketing and allied service charges	2,763	2,719	2,922	5,482	6,149	11,713
(e)	Exchange fluctuation loss, net	78	145	185	223	181	713
(f)	Other expenses	1,495	1,496	1,725	2,991	3,254	6,791
	Total expenses	**7,405**	**7,087**	**7,365**	**14,492**	**14,510**	**29,532**
5	**Profit before exceptional items and tax (3-4)**	**389**	**45**	**401**	**434**	**1,147**	**4,162**
6	Exceptional items, net (Refer note 6)	-	389	-	389	(100)	(4,591)
7	**Net profit/ (loss) before tax (5+6)**	**389**	**434**	**401**	**823**	**1,047**	**(429)**
8	**Tax expense, net**						
	Current tax	17	137	80	154	89	348
	MAT charge / (credit)	62	(27)	-	35	-	(94)
	Total tax expense	**79**	**110**	**80**	**189**	**89**	**254**
9	**Net profit/ (loss) for the period / year (7-8)**	**310**	**324**	**321**	**634**	**958**	**(683)**
10	**Other comprehensive income, net of tax**						
	Items that will not be reclassified subsequently to profit or loss						
	Re-measurement (loss)/ gain on defined benefit plans	-	(8)	(57)	(8)	(58)	(33)
11	**Total comprehensive income for the period/ year (9+10)**	**310**	**316**	**264**	**626**	**900**	**(716)**
12	Paid up equity share capital [face value of ₹ 10 (March 31, 2017: ₹ 10)]	56,200	56,200	50,691	56,200	50,691	50,691
13	Other equity	-	-	-	-	-	13,035
14	Earnings/(loss) per share (of ₹ 10/- each) (not annualised in case of the interim periods):						
(a)	- Basic	0.06	0.06	0.06	0.12	0.19	(0.13)
(b)	- Diluted	0.06	0.06	0.06	0.12	0.19	(0.13)

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SUBEX LIMITED

Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037

Statement of Standalone Assets and Liabilities

(₹ in Lakhs)

	Particulars	As at September 30, 2017 Unaudited	As at March 31, 2017 Audited
A	**ASSETS**		
1	**Non-current assets**		
	Property, plant and equipment	430	362
	Intangible assets	5,995	120
	Financial assets		
	Investments	65,702	65,701
	Loans	370	349
	Other balances with banks	37	126
	Other financial assets	234	234
	Income tax asset (net)	2,046	1,873
	Deferred tax asset (MAT credit)	443	478
	Other non-current assets	538	564
		75,795	**69,807**
2	**Current assets**		
	Financial assets		
	Loans	142	180
	Trade receivables	14,419	18,966
	Cash and cash equivalents	960	151
	Other financial assets	1,933	2,536
	Other current assets	609	823
		18,063	**22,656**
	Total assets (1+2)	**93,858**	**92,463**
B	**EQUITY AND LIABILITIES**		
1	**Equity**		
	Equity share capital	56,200	50,691
	Other equity	15,863	13,035
	Total equity	**72,063**	**63,726**
	Liabilities		
2	**Non-current liabilities**		
	Provisions	257	250
		257	**250**
3	**Current liabilities**		
	Financial liabilities		
	Borrowings	8,314	8,590
	Trade payables	10,581	14,383
	Other financial liabilities	620	3,472
	Other current liabilities	1,218	1,216
	Provisions	282	266
	Income tax liabilities (net)	523	560
		21,538	**28,487**
4	**Total liabilities (2+3)**	**21,795**	**28,737**
	Total equity and liabilities (1+4)	**93,858**	**92,463**

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SUBEX LIMITED ★ BANGALORE-560 103 ★

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 10, 2017.

2 The financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

3 During the three months ended June 30, 2017, the Company made an allotment of 55,094,999 equity shares of the Company on a preferential basis, at an issue price of ₹ 14 per equity share (Face value of ₹ 10 per equity share) amounting to ₹ 7,713 Lakhs.

4 The Company, vide agreement dated June 7, 2017, purchased Intellectual Property Rights ("IPR"), pertaining to its Network Analytics portfolio from its subsidiary Subex Americas Inc., for a purchase consideration of US$ 9.4 Million (₹ 6,078 Lakhs) based on valuation carried out by an external valuer. The aforesaid acquisition would enable the Company to consolidate the Intellectual Property Rights embedded in various software products, which would enhance the product offering portfolio of the Company.

5 On June 30, 2017, the Company redeemed outstanding FCCBs III amounting to US$ 3.6 Million (₹ 2,336 Lakhs) and paid accrued interest of US$ 0.1 Million (₹ 67 Lakhs) on the aforesaid bonds. On July 6, 2017, the deferred interest in respect of aforesaid bonds for the period July 6, 2012 to January 6, 2016 amounting to US$ 0.72 Million (₹ 467 Lakhs) has been paid. There are no outstanding FCCBs and related interest liabilities as at September 30, 2017.

6 **Exceptional items:**

(₹ in Lakhs)

Particulars	Quarter ended			Year to date figures for the six months ended		Year ended
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Loss on impairment of investments in subsidiary companies (Refer note 6[i])	-	-	-	-	(100)	(6,170)
Provision for doubtful advances no longer required written back (Refer note 6[ii])	-	389	-	389	-	1,579
Total	-	**389**	-	**389**	**(100)**	**(4,591)**

6[i]. As at March 31, 2017, the Company had assessed the carrying value of it's investment in its wholly owned subsidiary viz., Subex Americas Inc., of ₹ 7,006 Lakhs. Based on future operational plan, projected cash flows and valuation carried out by an external valuer, the Company made an impairment provision of ₹ 6,070 Lakhs towards the carrying value of its investment in the said subsidiary. The management was of the view that, the carrying value of the aforesaid investment (net of provision) of ₹ 936 Lakhs as at March 31, 2017 was appropriate. There is no change in the management's assessment as regards the aforementioned carrying value of investment as at September 30, 2017.

Also, during the previous year, the Company made provision for impairment of ₹ 100 Lakhs towards the carrying value of its investment in Subex Technologies Limited.

6[ii]. Represents, provision for doubtful advances no longer required written back upon collection of the said loans and advances from its overseas subsidiaries which were provided during the year ended March 31, 2016.

7 During the year ended March 31, 2017, the Company assessed the carrying value of it's investment in its wholly owned subsidiary viz., Subex (UK) Limited of ₹ 64,739 Lakhs. Considering the future operational plan, projected cash flows and the valuation carried out by an external valuer, the management was of the view that, the carrying value of its aforesaid investment of ₹ 64,739 Lakhs in Subex (UK) Limited as at March 31, 2017 was appropriate. There is no change in the management's assessment as regards the aforementioned carrying value of investment as at September 30, 2017.

8 Other income for the quarters ended September 30, 2017, June 30, 2017 and September 30, 2016, includes write back of withholding taxes paid earlier in respect of interest on FCCBs, which is no longer payable on account of conversion of FCCBs into equity shares of the Company, amounting to ₹ Nil, ₹ 30 Lakhs and ₹ 250 Lakhs, respectively, that for the six months ended September 30, 2017 and September 30, 2016 amounting to ₹ 30 Lakhs and ₹ 455 Lakhs, respectively and that for the year ended March 31, 2017 amounting to ₹ 1,037 Lakhs. Such, write back of withholding taxes has been adjusted with other withholding taxes liabilities of the Company.

9 Employee benefits expenses for the quarters ended September 30, 2017, June 30, 2017 and September 30, 2016 are net of reversal of provision no longer required, in respect of employee incentives relating to sales and delivery commissions, amounting to ₹ 32 Lakhs, ₹ 118 lakhs and ₹ Nil, respectively, that for the six months ended September 30, 2017 and September 30, 2016 amounting to ₹ 150 Lakhs and ₹ Nil, respectively and that for the year ended March 31, 2017 amounting to ₹ 70 Lakhs.

10 As at March 31, 2017, the Company has netted off ₹ 28,735 Lakhs of trade receivables from its subsidiaries against trade payables to the respective subsidiaries pursuant to the approval from its Authorised Dealer.

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11 The Board of Directors of the Company in its meeting held on August 21, 2017 approved the restructuring of the Company's business by way of transfer of its Revenue Maximization Solutions and related businesses ("RMS business") and the Subex Secure and Analytics solutions and related businesses ("Digital business") to its subsidiaries, Subex Assurance LLP and Subex Digital LLP (together referred to as "LLPs"), respectively, hereinafter referred to as the "Restructuring", subject to shareholders and other requisite approvals, to achieve amongst other aspects, segregation of the Company's business into separate verticals to facilitate greater focus on each business vertical, higher operational efficiencies, and to enhance the Company's ability to enter into business specific partnerships and attract strategic investors at respective business levels, with an overall objective of enhancing shareholder value.

The shareholders of the Company approved the Restructuring by way of a special resolution passed through postal ballot on September 23, 2017 and subsequently, the Board of Directors of the Company in its meeting held on October 4, 2017 approved November 1, 2017 to be the effective date of the Restructuring, subject to the Company obtaining the requisite approvals in this regard.

Accordingly, effective November 1, 2017, the Company's RMS business and the Digital business have been transferred on a going concern basis for a consideration of ₹ 64,162 Lakhs and ₹ 1,600 Lakhs, respectively, in the form of Company's capital contribution in the aforesaid LLPs, subject to prescribed working capital adjustments.

Post such Restructuring, the Company continues to directly hold 99.99% share in the capital of, and in the profits and losses of, each of these LLPs and the entire economic interest as well as control and ownership of the RMS Business and Digital Business remains with the Company post such Restructuring and would be consolidated accordingly.

12 The Company is engaged in the business of software products and related services. These, in the context of Ind AS 108 on Operating Segments Reporting are considered to constitute one segment and hence the Company has not made any additional segment disclosures.

13 Previous period figures have been regrouped/ reclassified, wherever necessary to confirm to current period's classification.

S.R. Batliboi & Associates LLP Bengaluru

SUBEX LIMITED ★ BANGALORE-560 103 ★

Surjeet Singh
Managing Director & CEO

Bengaluru
Date: November 10, 2017

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

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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Limited Review Report on Quarterly and Year to Date Consolidated Financial Results of Subex Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Review Report to
The Board of Directors
Subex Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Subex Group comprising Subex Limited (the 'Company') and its subsidiaries (together referred to as 'the Group'), for the quarter and six months ended September 30, 2017 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated financial results, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership No.: 213803

S.R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru
Date: November 10, 2017

SUBEX LIMITED

Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037

Statement of Unaudited Consolidated Financial Results for the quarter and six months ended September 30, 2017

(₹ in Lakhs)

	Particulars	Quarter ended			Year to date figures for the six months ended		Year ended
		September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Income						
1	Revenue from operations	8,106	7,618	8,336	15,724	16,670	35,733
2	Other income (Refer note 8)	16	59	268	75	497	1,154
3	**Total income (1+2)**	**8,122**	**7,677**	**8,604**	**15,799**	**17,167**	**36,887**
4	**Expenses**						
(a)	Employee benefits expense (Refer note 9)	4,475	4,333	4,175	8,808	8,242	15,871
(b)	Finance costs	210	225	518	435	1,076	2,040
(c)	Depreciation and amortisation expense	129	130	117	259	229	495
(d)	Exchange fluctuation loss/ (gain), net	372	507	(211)	879	(1,029)	(698)
(e)	Other expenses	2,519	2,331	2,733	4,850	5,451	11,651
	Total expenses	**7,705**	**7,526**	**7,332**	**15,231**	**13,969**	**29,359**
5	**Profit before exceptional items and tax (3-4)**	**417**	**151**	**1,272**	**568**	**3,198**	**7,528**
6	Exceptional items, net (Refer note 7)	-	-	-	-	-	(10,890)
7	**Net profit/ (loss) before tax (5+6)**	**417**	**151**	**1,272**	**568**	**3,198**	**(3,362)**
8	**Tax expense, net**						
	Current tax	50	292	298	342	406	1,055
	MAT charge / (credit)	62	(27)	-	35	-	(94)
	Deferred tax charge / (credit)	1	(13)	-	(12)	-	-
	Total tax expense	**113**	**252**	**298**	**365**	**406**	**961**
9	**Net profit/ (loss) for the period / year (7-8)**	**304**	**(101)**	**974**	**203**	**2,792**	**(4,323)**
10	**Other comprehensive income, net of tax**						
	Items that will be reclassified subsequently to profit or loss:						
	Net exchange differences on translation of foreign operations	291	284	(179)	575	(1,024)	(1,344)
	Items that will not be reclassified subsequently to profit or loss:						
	Re-measurement (loss)/ gain on defined benefit plans	7	(8)	(65)	(1)	(66)	(32)
	Total other comprehensive income	**298**	**276**	**(244)**	**574**	**(1,090)**	**(1,376)**
11	**Total comprehensive income for the period/ year (9+10)**	**602**	**175**	**730**	**777**	**1,702**	**(5,699)**
12	Paid up equity share capital [face value of ₹ 10 (March 31, 2017: ₹ 10)]	56,200	56,200	50,691	56,200	50,691	50,691
13	Other equity	-	-	-	-	-	17,718
14	Earnings/(loss) per share (of ₹ 10/- each) (not annualised in case of the interim periods)						
(a)	- Basic	0.05	(0.02)	0.19	0.04	0.55	(0.85)
(b)	- Diluted	0.05	(0.02)	0.19	0.04	0.55	(0.85)

S. R. Batliboi & Associates LLP Bengaluru

SUBEX LIMITED ★ BANGALORE-560103 ★

SUBEX LIMITED

Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037

Statement of Consolidated Assets and Liabilities

(₹ in Lakhs)

	Particulars	As at September 30, 2017 Unaudited	As at March 31, 2017 Audited
A	**ASSETS**		
1	**Non-current assets**		
	Property, plant and equipment	773	785
	Goodwill on consolidation	65,882	65,882
	Other intangible assets	112	138
	Financial assets		
	Loans	420	399
	Other balances with banks	172	258
	Other financial assets	234	234
	Income tax asset (net)	2,242	1,977
	Deferred tax asset (includes MAT credit)	455	478
	Other non-current assets	538	564
		70,828	**70,715**
2	**Current assets**		
	Financial assets		
	Loans	151	196
	Trade receivables	12,332	11,851
	Cash and cash equivalents	4,531	7,386
	Other financial assets	4,196	4,508
	Other current assets	873	1,013
		22,083	**24,954**
	Total assets (1+2)	**92,911**	**95,669**
B	**EQUITY AND LIABILITIES**		
1	**Equity**		
	Equity share capital	56,200	50,691
	Other equity	20,695	17,718
	Total equity	**76,895**	**68,409**
	Liabilities		
2	**Non-current liabilities**		
	Provisions	309	297
		309	**297**
3	**Current liabilities**		
	Financial liabilities		
	Borrowings	8,314	8,590
	Trade payables	1,422	1,805
	Other financial liabilities	1,310	11,922
	Other current liabilities	3,102	3,085
	Provisions	719	677
	Income tax liabilities (net)	840	884
		15,707	**26,963**
4	**Total liabilities (2+3)**	**16,016**	**27,260**
	Total equity and liabilities (1+4)	**92,911**	**95,669**

S. R. Batliboi & Associates LLP Bengaluru

SUBEX LIMITED ★ BANGALORE-560103 ★

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 10, 2017.

2 The financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

3 The financial results of Subex Limited (Standalone information):

(₹ in Lakhs)

Particulars	Quarter ended			Year to date figures for the six months ended		Year ended
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total income	7,794	7,132	7,766	14,926	15,657	33,694
Net profit/(loss) before tax	389	434	401	823	1,047	(429)
Net profit/(loss) for the period/ year	310	324	321	634	958	(683)
Total comprehensive income for the period/ year	310	316	264	626	900	(716)

4 During the three months ended June 30, 2017, the Company made an allotment of 55,094,999 equity shares of the Company on a preferential basis, at an issue price of ₹ 14 per equity share (Face value of ₹ 10 per equity share) amounting to ₹ 7,713 Lakhs.

5 On June 30, 2017, the Company redeemed outstanding FCCBs III amounting to US$ 3.6 Million (₹ 2,336 Lakhs) and paid accrued interest of US$ 0.1 Million (₹ 67 Lakhs) on the aforesaid bonds. On July 6, 2017, the deferred interest in respect of aforesaid bonds for the period July 6, 2012 to January 6, 2016 amounting to US$ 0.72 Million (₹ 467 Lakhs) has been paid. There are no outstanding FCCBs and related interest liabilities as at September 30, 2017.

6 During the three months ended June 30, 2017, the subsidiary of the Company viz. Subex Americas Inc., has repaid the term loan of US$ 12 Million (₹ 7,782 Lakhs) to the respective lenders on May 15, 2017.

7 **Exceptional items:**

(₹ in Lakhs)

Particulars	Quarter ended			Year to date figures for the six months ended		Year ended
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Loss on impairment of goodwill (note 7[i]&[ii])	-	-	-	-	-	(10,890)
Total	-	-	-	-	-	**(10,890)**

7[i] As at March 31, 2017, the Company assessed the carrying value of goodwill relating to its investment in the subsidiary viz. Subex Americas Inc., amounting to ₹ 9,736 Lakhs. Based on future operational plan, projected cash flows and valuation carried out by an external valuer, the Company made an impairment provision of ₹ 6,010 Lakhs towards the carrying value of goodwill relating to its investment in the said subsidiary. The management was of the view that, the carrying value of the goodwill (net of provision) of ₹ 3,726 Lakhs as at March 31, 2017 was appropriate. There is no change in the management's assessment as regards the aforementioned carrying value of goodwill as at September 30, 2017.

7[ii] As at March 31, 2017, the Company assessed the carrying value of goodwill relating to its investment in the subsidiary viz. Subex (UK) Limited amounting to ₹ 67,036 Lakhs. Based on future operational plan, projected cash flows and valuation carried out by an external valuer, the Company made an impairment provision of ₹ 4,880 Lakhs towards the carrying value of goodwill relating to its investment in the said subsidiary. The management was of the view that, the carrying value of goodwill (net of provision) of ₹ 62,156 Lakhs as at March 31, 2017 was appropriate. There is no change in the management's assessment as regards the aforementioned carrying value of goodwill as at September 30, 2017.

8 Other income for the quarters ended September 30, 2017, June 30, 2017 and September 30, 2016, includes write back of withholding taxes paid earlier in respect of interest on FCCBs, which is no longer payable on account of conversion of FCCBs into equity shares of the Company, amounting to ₹ Nil, ₹ 30 Lakhs and ₹ 250 Lakhs, respectively, that for the six months ended September 30, 2017 and September 30, 2016 amounting to ₹ 30 Lakhs and ₹ 455 Lakhs, respectively and that for the year ended March 31, 2017 amounting to ₹ 1,037 Lakhs. Such, write back of withholding taxes has been adjusted with other withholding taxes liability of the Company.

9 Employee benefits expenses for the quarters ended September 30, 2017, June 30, 2017 and September 30, 2016 are net of reversal of provision no longer required, in respect of employee incentives relating to sales and delivery commissions, amounting to ₹ 156 Lakhs, ₹ 146 lakhs and ₹ Nil, respectively, that for the six months ended September 30, 2017 and September 30, 2016 amounting to ₹ 302 Lakhs and ₹ Nil, respectively and that for the year ended March 31, 2017 amounting to ₹ 700 Lakhs.

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10 The Board of Directors of the Company in its meeting held on August 21, 2017 approved the restructuring of the Company's business by way of transfer of its Revenue Maximization Solutions and related businesses ("RMS business") and the Subex Secure and Analytics solutions and related businesses ("Digital business") to its subsidiaries, Subex Assurance LLP and Subex Digital LLP (together referred to as "LLPs"), respectively, hereinafter referred to as the "Restructuring", subject to shareholders and other requisite approvals, to achieve amongst other aspects, segregation of the Company's business into separate verticals to facilitate greater focus on each business vertical, higher operational efficiencies, and to enhance the Company's ability to enter into business specific partnerships and attract strategic investors at respective business levels, with an overall objective of enhancing shareholder value.

The shareholders of the Company approved the Restructuring by way of a special resolution passed through postal ballot on September 23, 2017 and subsequently, the Board of Directors of the Company in its meeting held on October 4, 2017 approved November 1, 2017 to be the effective date of the Restructuring, subject to the Company obtaining the requisite approvals in this regard.

Accordingly, effective November 1, 2017, the Company's RMS business and the Digital business have been transferred on a going concern basis for a consideration of ₹ 64,162 Lakhs and ₹ 1,600 Lakhs, respectively, in the form of Company's capital contribution in the aforesaid LLPs, subject to prescribed working capital adjustments.

Post such Restructuring, the Company continues to directly hold 99.99% share in the capital of, and in the profits and losses of, each of these LLPs and the entire economic interest as well as control and ownership of the RMS Business and Digital Business remains with the Company post such Restructuring and would be consolidated accordingly.

11 The Group is engaged in the business of software products and related services. These, in the context of Ind AS 108 on Operating Segments Reporting are considered to constitute one segment and hence the Group has not made any additional segment disclosures.

12 Previous period figures have been regrouped/ reclassified, wherever necessary to confirm to current period's classification.

13 Pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, 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.

Bengaluru
Date: November 10, 2017

Surjeet Singh
Managing Director & CEO

S. R. Batliboi & Associates LLP
Bengaluru

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

SUBEX

PRESS RELEASE

For Immediate Release November 10, 2017

Press contact

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Subex announces FY18 Q2 results with Consolidated revenue of Rs. 8,106 lacs and EBIDTA of Rs. 1,112 lacs

BENGALURU, INDIA – Subex Ltd, a leading telecom analytics solution provider, today announced its financial results for the quarter ended September 30, 2017.

- **Performance Highlights for the quarter ended September 30, 2017:**
  - **Revenue for the quarter at Rs. 8,106 lacs**
    - Up by 6% QoQ from Rs. 7,618 lacs in FY18 Q1
    - License & Implementation at 33%, Managed Services at 33% & Support at 34% of the total revenues
  - **Profitability**
    - EBIDTA ex-forex for the quarter at Rs. 1,112 lacs up by 17% from Rs. 954 lacs in FY18 Q1
    - Profit after Tax (PAT) for the quarter at Rs. 304 lacs up from loss of Rs. 101 lacs in FY18 Q1
- **Highlights of the quarter**
  - Won a multi-million dollar deal with a leading APAC telecom operator to implement its ROC Asset Assurance Solution for Capex Optimization and managing the lifecycle of its network assets.
  - Pioneered Real Time Revenue Assurance by deploying the largest implementation for Real-time Revenue Assurance for a top-tier Indian telecom service provider through its ROC Revenue Assurance solution.
  - Won a multi-million dollar group deal with a leading European TV and broadband provider which has got operation across multiple European countries to deploy its ROC Partner Settlement managed services.
  - Launched Subex Consulting and Advisory Services, blending strategy and execution to deliver business assurance for global

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telecom operators, specifically around the domains such as risk, margin, maturity and transformation.

- Successfully hosted the 14th edition of the Subex User Conference in Zagreb, Croatia on 24th- 25th October 2017. The theme of the conference was "**Digitalisation: Mirroring Opportunities with Reality**", and focused around implementation and operational aspects of digital transformation. The conference witnessed the participation from 100+ delegates from leading telcos across the globe.
- Launch its new website https://subex.com/ in line with its repositioning towards being an analytics solution provider. The new website represents Subex 3.0 messaging: "**Drive New Business Models**, **Enhance Customer Experience** and **Optimize Enterprise**"

Surjeet Singh, Managing Director & CEO, Subex Limited said, "The quarter ended on a positive note wherein we were successfully able to close a number of large multi-dollar deals. This achievement has certainly reflected in the results for this quarter, where we have seen an improved growth rate with an increased EBITDA as well as Profit after Tax. The positive results are also on the back of a very successful User Conference which played an excellent platform for us to connect with our customers and understand the challenges they face in the digital era."

We continue to make necessary investments in our portfolio, people and processes to augment our competitive edge to partner with our customers in digital future. Our recently concluded customer conference reinforced our Strategic agenda of standing for driving new businesses for our customers and enhance and optimize current enterprise. I am confident that our initiatives will yield results in midterm even as short term deflationary challenges and increased cycle times are headwinds in short term.

-ENDS-

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About Subex

Subex Ltd. is a leading telecom analytics solutions provider, enabling a digital future for global telcos.

Founded in 1992, Subex has spent over 25 years in enabling 3/4th of the largest 50 CSPs globally achieve competitive advantage. By leveraging data which is gathered across networks, customers, and systems coupled with its domain knowledge and the capabilities of its core solutions, Subex helps CSPs to **drive new business models, enhance customer experience** and **optimise enterprises.**

Subex leverages its award-winning product portfolio in areas such as Revenue Assurance, Fraud Management, Asset Assurance and Partner Management, and complements them through its digital solutions such as IoT Security and Insights. Subex also offers scalable Managed Services and Business Consulting services.

Subex has more than 300 installations across 90+ countries.

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