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 BANGALORE-560 103

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	March 31, 2017
		Unaudited	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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Subex Limited Bangalore-560 103

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.

Bengaluru
Date: November 10, 2017

S.R. Batliboi & Associates LLP Bengaluru

SUBEX LIMITED ★ BANGALORE-560 103 ★

Surjeet Singh
Managing Director & CEO

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

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)

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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	As at March 31, 2017
		Unaudited	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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SUBEX LIMITED ★ BANGALORE-560 103

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

S. R. Batliboi & Associates LLP
Bengaluru

SUBEX LIMITED ★ BANGALORE-560 103

Surjeet Singh
Managing Director & CEO

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