

February 07, 2020

To
BSE Limited
The National Stock Exchange of India Limited

Dear Sir/Madam,

Sub: Outcome of the Board Meeting of Subex Limited "The Company" held on February 07, 2020

Please be informed that the agenda items summarized hereunder were discussed and approved at the Board Meeting of the Company held today at Bengaluru:

1. Unaudited standalone and consolidated financial results of the Company for the quarter and nine months ended December 31, 2019.
2. Based on the recommendations of the Audit Committee of the Company, the Board of Directors approved the provision towards impairment of goodwill of Rs 314.73 crores in the consolidated financials with consequent impact on the standalone financials' basis valuation conducted by an external agency. The aforesaid impairment arose considering the global macro-economic environment, challenges faced by Telecom operators globally, including some Indian telecom operators, and the increased competitiveness of the mobile markets, additional investment requirements on newer areas like 5G, wireline fire networks, spectrum acquisition, etc, which lead to pressure on Telecom operators from a revenue growth and margin perspective, forcing them to find way to cut costs.
3. Scheme of Reduction of Capital under Section 66 & Section 52 of the Companies Act, 2013. The Scheme is subject to approval of the shareholders, Hon'ble National Company Law Tribunal, Bengaluru and all other regulatory approvals.

The disclosure in respect of the aforesaid Scheme of Capital Reduction as required under Para A of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 is attached as **Annexure - A**.

4. Appointment of Mr. Shiva Shankar Naga Roddam (DIN: 07212118) as Whole-Time Director and Chief Operating Officer of the Company with effect from February 07, 2020 for a period of three years. A brief profile of Mr. Shankar is enclosed herewith as **Annexure - B**.
5. Re-appointment of Ms. Nisha Dutt (DIN:06465957) as an Independent Director of the Company for a period of 5 years with effect from March 25, 2020, subject to the approval of the members. A brief profile of Ms. Dutt is enclosed herewith as **Annexure - C**.
6. Appointment of KFin Technologies Private Limited (SEBI Registration No. INR000000221) as the Registrar & Transfer Agents (RTA) of the Company with effect from April 15, 2020. A brief profile of KFin Technologies Private Limited is enclosed herewith as **Annexure - D**.



Subex Limited

CIN - L85110KA1994PLC016663

Registered Address: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560103, India

7. Appointment of M/s. V Sreedharan & Associates, Company Secretaries, for conducting the Secretarial Audit for the financial year 2019-20. A brief profile of M/s. V Sreedharan & Associates is enclosed herewith as **Annexure -E**.
8. Grant of 1,28,00,000 Stock options (performance linked) by the Nomination & Remuneration Committee of the Board of Directors, in accordance with ESOP 2018 Scheme of the Company.
9. **Conference Call Invite:** In terms of Regulation 30 of the SEBI (LODR) Regulations, 2015, the Management will host a conference call on Monday, February 10, 2020 at 4.00 PM (IST) and the details of the Conference call are enclosed herewith as **Annexure - F**

Pursuant to Regulation 33 (3) and Regulation 47 of the SEBI (LODR) 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 and are also being posted on the Company's website.

Please find enclosed:

1. The unaudited standalone and consolidated financial results of the Company for the quarter and nine months ended December 31, 2019.
2. A copy of the press release intended to be published to the media by the Company.
3. Annexures A-F.

The meeting concluded at 5.15 p.m. We request you to take the aforesaid notification on record.

Thanking you

Yours truly,
For Subex Limited


Anil Singhvi

Chairman & Independent Director
DIN:00239589
ENCL: As above



Annexure- A

DISCLOSURE REQUIRED PURSUANT TO REGULATION 30 AND SCHEDULE III OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH PARA 1.5 OF CLAUSE A OF ANNEXURE I OF SEBI CIRCULAR No. CIR/CFP/CMD/4/2015 DATED SEPTEMBER 09, 2015.

1.	Details and reasons for restructuring	<p>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 based on its unaudited standalone financial statements for the period ended December 31, 2019.</p> <p>The restructuring would enable the Company to have a rational structure which is commensurate with its remaining business and assets and 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.</p> <p>Hence the proposed Scheme as approved by the Board of Directors of the Company provided for reduction of equity share capital and securities premium account of the Company in accordance with Section 66 read with Section 52 of the Companies Act, 2013</p>
2.	Quantitative and/ or qualitative effect of restructuring.	<p>Post scheme, the paid-up share capital of the company would stand reduced from Rs. 5,62,00,29,350 (divided into 56,20,02,935 equity shares of Rs 10 each) to Rs. 2,81,00,14,675 (divided into 56,20,02,935 equity shares of Rs 5 each) by reducing the/ face value of each equity share from Rs 10 to Rs 5 along with a reduction to the securities premium account of the Company from Rs 2,67,04,28,364 to Rs 1,64,03,33,337 and such cumulative reduction would be effected by writing off the accumulated losses of Rs 3,84,01,09,702 on the Effective Date of</p>



		the draft Scheme of Reduction of capital.	
Particulars	Pre-reduction (Rs.)	Proposed reduction (Rs.)	Post-reduction (Rs.)
Paid up share capital	5,62,00,29,350	2,81,00,14,675	2,81,00,14,675
Face Value of share	Rs.10/-	Rs. 5/-	Rs. 5/-
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
3.	Details of benefit, if any, to the promoter / promoter group / group companies from such proposed restructuring	The Scheme does not result in any benefits to the promoter/ promoter group/ group companies to the exclusion of the other shareholders	
4.	Brief details of change in shareholding pattern (if any) of all entities	The reduction of capital shall be on proportionate basis, there shall not be any change in percentage shareholding of any shareholder of the Company, and hence, the shareholding pattern shall remain the same pre and post reduction of the equity share capital	



Annexure- B

DISCLOSURE REQUIRED PURSUANT TO REGULATION 30 AND SCHEDULE III OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH PARA'S 7 & 8 OF CLAUSE A OF ANNEXURE I OF SEBI CIRCULAR No. CIR/CFP/CMD/4/2015 DATED SEPTEMBER 09, 2015.

Profile- Mr. Shiva Shankar Naga Roddam

Mr. Shiva Shankar Naga Roddam is the Chief Operating Officer of Subex, responsible for Sales, Marketing, Engineering and Delivery. Shankar is a management professional with close to two and half decades of experience in Telecommunications, Cloud and PaaS. He comes with extensive international experience and ability to scale businesses in highly competitive environments, particularly around the SaaS space. He holds a Management degree from IMDR Pune, with a specialization in Sales & Marketing with minor in Systems. He is an undergrad in Electronics Telecommunications Engineering and is a graduate in Triple Mathematics. He is not related to any of the Directors, Promoters/Promoter Group or the Management of the Company.

Annexure- C

Profile-Ms. Nisha Dutt

Ms. Nisha Dutt, Independent Director holds a Master's degree and provides her expertise to the management in devising the business management, strategic plans and adds value towards solving the management related queries. She has spent over a decade and a half in consulting across both mainstream and development projects in over dozen countries. She has a keen understanding of markets and consumer behavior at the base of the pyramid and works on addressing a range of challenges for clients across inclusive business divisions, international foundations and development finance institutions. Ms. Nisha Dutt is also a member of the Board at Decodem Technologies Private Limited.

Ms. Dutt's first term as Independent Director expires on March 25, 2020. She has been re-appointed as an Independent Director of the Company effective from the same date, for a period of 5 years, subject to the approval of the shareholders at the Annual General Meeting of the Company. She is not related to any of the Directors, Promoters/Promoter Group or the Management of the Company.



Annexure- D

Profile- KFin Technologies Private Limited

KFin Technologies Private Limited "KFin" is the largest registrar and a market leader, servicing over 90 million investor accounts spread over 1300 issuers including banks, PSUs and mutual funds. With a workforce of around 5,500+ experienced professionals drawn from various disciplines, and 220 branches Pan India, it has emerged as a market leader in Investor Servicing.

KFin is an ISO 27001:2013 certified company on data security in the R&T space, with real – time data replication capability which ensures zero impact on its customers in case of exigencies. The Company intends to have a robust system in place and automate its shareholder related services. Hence it is proposed to appoint KFin, a market leader in providing the Registrar and Transfer agent related work, as the RTA of the Company. KFin will replace Canbank Computer Services Limited (CCSL), who have been the RTA of the Company for almost two decades. The appointment will be effective from April 15, 2020.

Annexure- E

Profile- M/s. V. Sreedharan & Associates, Secretarial Auditors

V. Sreedharan & Associates is a premier and well known firm of Company Secretaries in practice headquartered in Bangalore, India with associates in Chennai, Coimbatore, Hyderabad, Ernakulum, Mumbai, Pune, Ahmedabad and New Delhi.

The firm provides a suite of professional consultancy services on Corporate Law and Compliance, Securities Laws and Compliance Audit. The firm has clients across various industries ranging from manufacturing, infrastructure real estate construction, pharmacy, IT & BPO Companies.

The firm has been in existence for a decade.





Subex Limited Q3 FY20 Earnings Call Invite

Subex Limited to announce Q3 FY20 results on 7th February, 2020; Earnings call to be held on 10th February, 2020 at 4:00 pm (IST)

Subex Ltd. (BSE: SUBEX I 532348), (NSE: SUBEX), a leading telecom analytics solution provider, will announce its consolidated financial results for the **third quarter and nine months FY20 results on Friday, 7th February, 2020**. The earnings call for the results will be held on **Monday, 10th February, 2020 at 4:00 pm**.

The Details of Earnings Conference Call are:

Date: 10th February, 2020

Time (IST): 4:00 PM – 5:00 PM

Dial-in Number: +91 22 6280 1348 / 7115 8078

The number listed above is universally accessible from all networks and all countries

Local Access Number: +91-7045671221

Available all over the India

International Toll-Free Numbers:

USA – 1 866 746 2133

UK – 0 808 101 1573

Singapore – 800 101 2045

Hong Kong – 800 964 448

Management Representation from Subex Limited

Mr. Vinod Kumar Padmanabhan, Managing Director & CEO, Subex Limited

Mr. Venkatraman G S, Chief Financial Officer, Subex Limited

Participants are requested to log in 10 minutes prior to the start of the scheduled call.

About Subex

Subex 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.

In case of any queries, please reach out to

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Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**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 ended December 31, 2019 and year to date from April 1, 2019 to December 31, 2019 (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, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, 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

Unique Document Identification Number: 20213803AAAAAH3328



Place: Bengaluru
Date: February 07, 2020

SUBEX LIMITED

Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 103

Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2019

Particulars	Year to date figures for the nine months ended				Year ended	
	December 31, 2019		December 31, 2018		March 31, 2019	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income						
1 Revenue from operations	284	187	276	690	1,402	1,916
2 Share of profit from Limited Liability Partnerships (net) (Refer note 3)	-	118	-	-	-	-
3 Other income	5	26	1	41	3	10
4 Total income (1+2+3)	289	331	277	731	1,405	1,926
Expenses						
Employee benefits expense	164	148	183	485	565	739
Finance costs	8	8	1	24	2	4
Depreciation and amortisation expense	171	172	158	513	472	625
Marketing and allied service charges	129	133	130	396	383	513
Exchange fluctuation (gain)/loss, net	(4)	(10)	36	(39)	(136)	39
Share of loss from Limited Liability Partnerships before exceptional items (net) (Refer note 3)	243	-	442	288	1,690	1,600
Other expenses	125	142	128	390	736	861
5 Total expenses	841	593	1,078	2,057	3,712	4,381
6 Loss before exceptional items and tax expense (4-5)	(552)	(262)	(801)	(1,326)	(2,307)	(2,455)
Exceptional items						
Provision no longer required written back	100	-	-	100	-	-
Provision for claim settlement [Refer note 4 (ii)]	(1,054)	-	-	(1,054)	-	-
Impairment of intangible asset [Refer note 4 (i)]	(3,599)	-	-	(3,599)	-	-
Share of loss from Subex Assurance LLP [Refer note 3 and 4 (i)]	(16,808)	-	-	(16,808)	-	-
Impairment of intangible assets and investment in subsidiary	(21,361)	-	-	(21,361)	-	-
7 Total exceptional items	(21,361)	-	-	(21,361)	-	-
8 Net loss before tax expense (6-7)	(21,913)	(262)	(801)	(22,687)	(2,307)	(2,455)
9 Tax expense, net	-	-	-	-	1	(2)
Provision/ (reversal) - foreign withholding taxes (Refer note 5)	-	-	-	-	1	(2)
10 Total tax expense	-	-	-	-	1	(2)
11 Net loss for the period/ year (8-9)	(21,913)	(262)	(801)	(22,687)	(2,308)	(2,453)
Other comprehensive income, net of tax expense						
Items that will not be reclassified subsequently to profit or loss	(2)	(1)	(2)	(4)	(7)	(3)
Re-measurement loss on defined benefits plan	-	-	-	-	-	-
12 Total comprehensive income for the period/ year (10+11)	(21,915)	(263)	(803)	(22,691)	(2,315)	(2,456)
13 Paid up equity share capital [face value of ₹ 10 (March 31, 2019 ₹ 10)]	56,200	56,200	56,200	56,200	56,200	56,200
14 Other equity	-	-	-	-	-	14,949
15 Loss per share (of ₹ 10/- each) (not annualised in case of the interim periods):						
- Basic	(4.04)	(0.05)	(0.14)	(4.15)	(0.41)	(0.44)
- Diluted	(4.04)	(0.05)	(0.14)	(4.15)	(0.41)	(0.44)



Notes:

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on February 7, 2020.

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, as amended.

3 Share of profit/ (loss) from Limited Liability Partnerships are as follows

Particulars	Quarter ended			Year to date figures for the nine months ended		
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Share of profit/(loss) from Subex Assurance LLP before exceptional items	321	742	20	1,350	(327)	165
Share of loss from Subex Digital LLP	(569)	(624)	(462)	(1,638)	(1,363)	(1,765)
Total (i)	(248)	118	(442)	(288)	(1,690)	(1,600)
Share of loss from Subex Assurance LLP (Exceptional items) (ii)	(16,808)	-	-	(16,808)	-	-
Total [(i)+(ii)]	(17,056)	118	(442)	(17,096)	(1,690)	(1,600)

The Company has presented share of profit and share of loss from Limited Liability Partnerships ("LLP") on net basis as the management considers the net income/expense to be its return on investment in LLP.

4 (i) Considering the challenges and significant investment requirements of telecom operators which has resulted in longer opportunity conversion cycle and lower spends towards IT solutions, the management has carried out the annual impairment exercise in respect of its intangible assets and investment in subsidiaries and basis valuation carried out by an external expert has made an impairment provision of ₹ 3,599 Lakhs towards carrying value of intangible asset and ₹ 16,808 Lakhs towards the carrying value of investment in subsidiary.

(ii) On January 23, 2020, the Company has entered into settlement agreement with former MD & CEO and former COO of the company in respect of long drawn litigation wherein certain claims were made against the Company. In terms of the settlement agreement, the Company has paid an amount of ₹ 820 lakhs (net of ₹ 234 lakhs recoverable from such ex-employees) which has been provided for as at December 31, 2019. Accordingly, the aforesaid litigation is amicably settled.

5 Represents provision in respect of withholding taxes deducted/ deductible by the overseas customers of the Company


6 The Board of Directors in its meeting held on February 07, 2020, has approved a scheme of Capital Reduction in accordance with Section 52 of the Companies Act, 2013 and Section 66 of the Companies Act, 2013 read with National Company Law Tribunal ("NCLT") (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013. Subject to the consent of the Shareholders and the approval from NCLT and other statutory authorities as and where applicable, the Accumulated Losses of ₹ 38,401 Lakhs as at December 31, 2019 shall be written off against the paid-up share capital of the Company for an amount of ₹ 28,100 Lakhs by reducing the face value of the equity shares from ₹ 10/- to ₹ 5/- each and Securities Premium Account balance for an amount of ₹ 10,301 lakhs.

7 The Company is engaged in the business of software products and related services, which are monitored as a single segment by the Chief Operating Decision Maker, accordingly, 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.

8 Subex Employee Welfare and ESOP Benefit Trust (hereinafter referred to as the "ESOP Trust"), registered and authorised to acquire shares of the Company through secondary market for providing share-based payments to its employees, is consolidated in the standalone financial results of the Company and the shares reacquired and held by ESOP Trust are treated as treasury shares and recognised at cost and deducted from other equity. The shares held by the Trust were reduced on a weighted average basis from outstanding number of shares for computation of basic and diluted EPS of the Company.

9 Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 31.1 Lakhs and a lease liability of ₹ 326 Lakhs. The cumulative effect of applying the standard resulted in ₹ 32 Lakhs being debited to retained earnings, net of taxes.

Place: Bengaluru
Date: February 7, 2020


Vinod Kumar Padmanabhan
Managing Director & CEO

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



Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Subex Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Subex Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended December 31, 2019 and year to date from April 1, 2019 to December 31, 2019 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the Holding Company and its following subsidiaries:
 - a. Subex America Inc.
 - b. Subex Inc.
 - c. Subex (Asia Pacific) Pte Limited
 - d. Subex (UK) Limited
 - e. Subex Middle East, FZE
 - f. Subex Technologies Limited
 - g. Subex Azure Holdings Inc.
 - h. Subex Assurance LLP
 - i. Subex Digital LLP



S.R. BATLIBOI & ASSOCIATES LLP

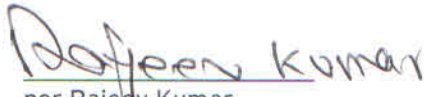
Chartered Accountants

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, 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



Unique Document Identification Number: 2021383AAAAA16177

Place: Bengaluru

Date: February 07, 2020



SUBEX LIMITED
Registered office: RMZ Ecoworld, Outer Ring Road, Devrabaisanahalli, Bangalore - 560 103
Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2019

Particulars	Quarter ended			Year to date figures for the nine months ended			(₹ in Lakhs)
	December 31, 2019		December 31, 2018	December 31, 2019		December 31, 2018	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited		
Income							
1 Revenue from operations	9,609	8,567	8,228	26,071	24,625	34,812	
2 Other income	52	140	27	228	61	101	
3 Total income (1+2)	9,661	8,707	8,255	26,299	24,686	34,913	
Expenses							
Employee benefits expense (Refer note 4)	4,556	4,437	4,872	13,302	14,230	19,105	
Finance costs	133	142	54	425	162	216	
Depreciation and amortisation expense	367	378	116	1,116	345	483	
Exchange fluctuation loss/(gain), net	512	(292)	128	(39)	(683)	(171)	
Other expenses	2,750	2,331	2,599	7,149	7,954	10,572	
4 Total expenses	8,318	6,996	7,769	21,953	22,008	30,205	
5 Profit before exceptional items and tax expense (3-4)	1,343	1,711	486	4,346	2,678	4,708	
Exceptional items							
Impairment of goodwill [Refer note 5(i)]	(31,473)	-	-	(31,473)	-	-	
Provision no longer required written back	761	-	-	761	-	-	
Provision for claim settlement [Refer note 5(ii)]	(1,054)	-	-	(1,054)	-	-	
6 Total exceptional items	(31,766)	-	-	(31,766)	-	-	
7 Net (loss)/ profit before tax expense (5-6)	(30,423)	1,711	486	(27,420)	2,678	4,708	
Tax expense, net							
Current tax charge	80	1	68	82	176	274	
Provision - foreign withholding taxes (Refer note 6)	163	263	227	647	645	885	
Deferred tax charge/ (credit) (Refer note 7)	606	817	(15)	1,964	625	1,027	
8 Total tax expense	849	1,081	280	2,693	1,446	2,186	
9 Net (loss)/ profit for the period/ year (7-8)	(31,272)	630	206	(30,113)	1,232	2,522	
Other comprehensive income, net of tax expense							
Items that will be reclassified subsequently to profit or loss:							
Net exchange differences gain/(loss) on translation of foreign operations	595	(124)	(298)	205	(508)	(390)	
Items that will not be reclassified subsequently to profit or loss:							
Re-measurement loss on defined benefits plan	(20)	(25)	(15)	(55)	(44)	(38)	
10 Total other comprehensive income	575	(149)	(313)	150	(552)	(428)	
11 Total comprehensive income for the period/ year (9+10)	(30,697)	481	(107)	(29,963)	680	2,094	
12 Paid up equity share capital	56,200	56,200	56,200	56,200	56,200	56,200	
13 Other equity	-	-	-	-	-	-	
14 (Loss)/earnings per share (of ₹ 10/- each) (not annualised in case of the interim periods)							
- Basic	(5.77)	0.12	0.04	(5.51)	0.22	0.45	
- Diluted	(5.77)	0.12	0.04	(5.51)	0.22	0.45	

Subex announces third consecutive quarter of growth

7th February 2020, BENGALURU, INDIA – Subex, a leading telecom analytics solution provider, today announced its consolidated financial results for the year ended December 31, 2019.

Performance Highlights for the quarter ended December 31, 2019:

- Revenue for the quarter at ₹961 million as against ₹857 million in FY20 Q2
- EBITDA* for the quarter at ₹230 million as against ₹180 million in FY20 Q2
- Profit before Tax* (PBT) for the quarter at ₹ 134 million as against ₹171 million in FY20 Q2

Highlights of the Quarter

- Subex and RAG announce first of its kind alliance to leverage Blockchain for combatting fraud
- Subex secures 5-year deal from Jawwal for ROC Fraud Management and ROC Revenue Assurance

Highlights of the Restructuring

The Board of Directors in its meeting held on February 07, 2020, has approved a scheme of Capital reduction, in accordance with Section 52 of the Companies Act, 2013 and Section 66 of the Companies Act, 2013 read with National Company Law Tribunal ("NCLT") (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013. Subject to the consent of the shareholders and the approval from NCLT and other statutory authorities as and where applicable, the accumulated losses shall be written off against the paid-up share capital of the company. The aforesaid write off against the paid-up share capital would be achieved by reducing the face value of the equity shares from Rs 10/- to Rs 5/- each.

Appointments

Appointment of Mr. Shiva Shankar Naga Roddam as a Whole-time Director & Chief Operating Officer of the Company with effect from February 7th, 2020 for a period of three years.

Vinod Kumar, Managing Director & CEO, Subex said, "Digital Trust is quickly becoming top priority among global leaders and is attracting more investments from businesses and governments towards securing their digital future.

We continue to execute our focused strategy towards Digital Trust and this has enabled us to compete well and win large deals. On the financial front, the revenues and EBITDA for the quarter are in line with our expectations, despite the macroeconomic slowdown.

The restructuring of our financials approved by the board today will enable us to have a rational structure that is commensurate with our current business, allowing us to better service the equity."

Elaborating on the restructuring, **Venkataraman GS, CFO, Subex** said, "As part of the exercise, the proposed capital reduction will be achieved by writing off the accumulated losses against the share capital and share premium of the company. This would help us position ourselves better in the market and undertake business activities efficiently. The restructuring, after full implementation, will result in making our balance sheet leaner and downsized"

**Excluding exceptional items*



About Subex

Subex is a pioneer in enabling Digital Trust for businesses across the globe.

Founded in 1992, Subex has spent over 25 years in helping global Communications Service Providers maximize their revenues and profitability.

With a legacy of having served the market through its world-class solutions for business optimization and analytics, Subex is now leading the way by enabling all-round Digital Trust in the business ecosystems of its customers. Focusing on privacy, security, risk mitigation, predictability and confidence in data, Subex helps businesses embrace the disruptive changes in the business landscape and succeed with Digital Trust.

Subex leverages its award-winning product portfolio in areas such as Revenue Assurance, Fraud Management, Network Analytics, 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.

In case of any queries, please reach out to-

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***EBITDA excludes forex**

-END-

