

**SUBEX LIMITED**

Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037  
**Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2017**

( ` in Lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2017	March 31, 2017	June 30, 2016	March 31, 2017
	Unaudited	Audited (Refer note 11)	Unaudited	Audited
<b>Income</b>				
1 Revenue from operations	7,618	9,485	8,334	35,733
2 Other income (Refer note 8)	59	263	229	1,154
<b>3 Total income (1+2)</b>	<b>7,677</b>	<b>9,748</b>	<b>8,563</b>	<b>36,887</b>
<b>4 Expenses</b>				
(a) Employee benefits expense (Refer note 9)	4,333	3,582	4,067	15,871
(b) Finance costs	225	508	558	2,040
(c) Depreciation and amortisation expense	130	139	112	495
(d) Exchange fluctuation loss/ (gain), net	507	647	(818)	(698)
(e) Other expenses	2,331	3,115	2,718	11,651
<b>Total expenses</b>	<b>7,526</b>	<b>7,991</b>	<b>6,637</b>	<b>29,359</b>
<b>5 Profit before exceptional items and tax (3-4)</b>	<b>151</b>	<b>1,757</b>	<b>1,926</b>	<b>7,528</b>
6 Exceptional items, net (Refer note 7)	-	(10,890)	-	(10,890)
<b>7 Net profit/ (loss) before tax (5+6)</b>	<b>151</b>	<b>(9,133)</b>	<b>1,926</b>	<b>(3,362)</b>
<b>8 Tax expense, net</b>				
Current tax	292	331	108	1,055
MAT credit entitlement	(27)	(94)	-	(94)
Deferred tax	(13)	-	-	-
<b>Total tax expense</b>	<b>252</b>	<b>237</b>	<b>108</b>	<b>961</b>
<b>9 Net (loss)/ profit for the period / year (7-8)</b>	<b>(101)</b>	<b>(9,370)</b>	<b>1,818</b>	<b>(4,323)</b>
<b>10 Other comprehensive income, net of tax</b>				
<i>Items that will be reclassified subsequently to profit or loss:</i>				
Net exchange differences on translation of foreign operations	284	212	(845)	(1,344)
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Re-measurement (loss)/ gain on defined benefit plans	(8)	63	(1)	(32)
<b>Total other comprehensive income</b>	<b>276</b>	<b>275</b>	<b>(846)</b>	<b>(1,376)</b>
<b>11 Total comprehensive income for the period/ year (9+10)</b>	<b>175</b>	<b>(9,095)</b>	<b>972</b>	<b>(5,699)</b>
12 Paid up equity share capital [face value of ` 10 (March 31, 2017: ` 10)]	56,200	50,691	50,475	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	(0.02)	(1.85)	0.36	(0.85)
(b) - Diluted	(0.02)	(1.85)	0.36	(0.85)

**Notes:**

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on July 28, 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 ended
	June 30, 2017	March 31, 2017	June 30, 2016	March 31, 2017
	Unaudited	Audited (Refer note 11)	Unaudited	Audited
Total income	7,132	8,958	7,891	33,694
Net profit/(loss) before tax	434	(3,239)	646	(429)
Net profit/(loss) for the period/ year	324	(3,353)	637	(683)
Total comprehensive income for the period/ year	316	(3,299)	636	(716)

- 4 During the quarter 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 and there is no outstanding FCCBs as at June 30, 2017. Subsequently, 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 on July 6, 2017.
- 6 During the quarter 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 ended
	June 30, 2017	March 31, 2017	June 30, 2016	March 31, 2017
	Unaudited	Audited (Refer note 11)	Unaudited	Audited
Loss on impairment of goodwill (note 7[i]&[ii])	-	(10,890)	-	(10,890)
<b>Total</b>	-	<b>(10,890)</b>	-	<b>(10,890)</b>

- 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 June 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 June 30, 2017.
- 8 Other income for the quarter ended June 30, 2017, 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 ` 30 Lakhs (Quarter ended March 31, 2017 and June 30, 2016 amounting to ` 205 Lakhs and ` 205 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 June 30, 2017, March 31, 2017 and June 30, 2016 are net of reversal of provision no longer required, in respect of employee incentives relating to sales and delivery commissions, amounting to ` 146 lakhs, ` 700 Lakhs and ` Nil, respectively and that for the year ended March 31, 2017 amounting to ` 700 Lakhs.

- 10 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.
- 11 The figures of last quarter of previous year is the balancing figure between the audited figures in respect of the full financial year ended March 31, 2017 and the published unaudited year to date figures of nine months ended December 31, 2016.
- 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](http://www.subex.com).

**Bengaluru**  
**Date: July 28, 2017**

**Surjeet Singh**  
**Managing Director & CEO**

*For further details on the results, please visit our website: [www.subex.com](http://www.subex.com)*

**SUBEX LIMITED**

Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037  
**Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2017**

(₹ in Lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2017	March 31, 2017	June 30, 2016	March 31, 2017
	Unaudited	Audited (Refer note 11)	Unaudited	Audited
<b>Income</b>				
1 Revenue from operations	7,082	8,573	7,673	32,441
2 Other income (Refer note 8)	50	385	218	1,253
<b>3 Total income (1+2)</b>	<b>7,132</b>	<b>8,958</b>	<b>7,891</b>	<b>33,694</b>
<b>4 Expenses</b>				
(a) Employee benefits expense (Refer note 9)	2,416	2,255	1,989	8,537
(b) Finance costs	209	483	339	1,505
(c) Depreciation and amortisation expense	102	72	65	273
(d) Marketing and allied service charges	2,719	2,638	3,227	11,713
(e) Exchange fluctuation loss/ (gain), net	145	618	(4)	713
(f) Other expenses	1,496	1,640	1,529	6,791
<b>Total expenses</b>	<b>7,087</b>	<b>7,706</b>	<b>7,145</b>	<b>29,532</b>
<b>5 Profit before exceptional items and tax (3-4)</b>	<b>45</b>	<b>1,252</b>	<b>746</b>	<b>4,162</b>
6 Exceptional items, net (Refer note 6)	389	(4,491)	(100)	(4,591)
<b>7 Net profit/ (loss) before tax (5+6)</b>	<b>434</b>	<b>(3,239)</b>	<b>646</b>	<b>(429)</b>
<b>8 Tax expense, net</b>				
Current tax	137	208	9	348
MAT credit entitlement	(27)	(94)	-	(94)
<b>Total tax expense</b>	<b>110</b>	<b>114</b>	<b>9</b>	<b>254</b>
<b>9 Net profit/ (loss) for the period / year (7-8)</b>	<b>324</b>	<b>(3,353)</b>	<b>637</b>	<b>(683)</b>
<b>10 Other comprehensive income, net of tax</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Re-measurement (loss)/ gain on defined benefit plans	(8)	54	(1)	(33)
<b>11 Total comprehensive income for the period/ year (9+10)</b>	<b>316</b>	<b>(3,299)</b>	<b>636</b>	<b>(716)</b>
12 Paid up equity share capital [face value of ` 10 (March 31, 2017: ` 10)]	56,200	50,691	50,475	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	(0.66)	0.13	(0.13)
(b) - Diluted	0.06	(0.66)	0.13	(0.13)

**Notes:**

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on July 28, 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 quarter 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 and there is no outstanding FCCBs as at June 30, 2017. Subsequently, 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 on July 6, 2017.

**6 Exceptional items:**

(₹ in Lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2017	March 31, 2017	June 30, 2016	March 31, 2017
	Unaudited	Audited (Refer note 11)	Unaudited	Audited
Loss on impairment of investments in subsidiary companies (Refer note 6[i])	-	(6,070)	(100)	(6,170)
Provision for doubtful advances no longer required written back (Refer note 6[ii])	389	1,579	-	1,579
<b>Total</b>	<b>389</b>	<b>(4,491)</b>	<b>(100)</b>	<b>(4,591)</b>

6[i]. As at March 31, 2017, the Company had assessed the carrying value of its 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 June 30, 2017.

Also, during the previous year, the Company made provision for impairment of ₹ 100 Lakhs towards the carrying value of its investment in the 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 its 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 June 30, 2017.
- 8 Other income for the quarter ended June 30, 2017, 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 ₹ 30 Lakhs (Quarter ended March 31, 2017 and June 30, 2016 amounting to ₹ 205 Lakhs and ₹ 205 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 quarter ended June 30, 2017, March 31, 2017 and June 30, 2016 are net of reversal of provision no longer required, in respect of employee incentives relating to sales and delivery commissions, amounting to ₹ 118 Lakhs, ₹ 70 Lakhs and ₹ Nil respectively and that for the year ended March 31, 2017 amounting to ₹ 70 Lakhs.

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| 10 | 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. |
| 11 | The figures of last quarter of previous year is the balancing figure between the audited figures in respect of the full financial year ended March 31, 2017 and the published unaudited year to date figures of nine months ended December 31, 2016.                  |
| 12 | Previous period figures have been regrouped/ reclassified, wherever necessary to confirm to current period's classification.  |

**Bengaluru**  
**Date: July 28, 2017**

**Surjeet Singh**  
**Managing Director & CEO**

*For further details on the results, please visit our website: [www.subex.com](http://www.subex.com)*