



PUJA RAKHECHA & ASSOCIATES

To,
The Board of Directors
Subex Limited
 RMZ Ecoworld, Outer Ring Road,
 Devarabisanahalli
 Bengaluru – 560103

Sub: Certificate for non-applicability of the requirement of obtaining the valuation report from Independent Chartered Accountant as prescribed in Para 4 of Annexure – I to the SEBI Circular No. CFD/ DIL3/ CIR/ 2017/ 21 dated March 10, 2017 (hereinafter referred to as “SEBI Circular”) in respect of proposed reduction of capital

Dear Sirs,

We, Puja Rakhecha & Associates, the Independent Chartered Accountants, have been requested by Subex Limited (“the Company”) having its registered office at RMZ Ecoworld, Devarabisanahalli, Outer Ring Road, Bengaluru – 560103 to issue this certificate under Para 4 of Annexure – I to the SEBI Circular in respect of non-applicability of requirement for valuation report in the matter of proposed reduction of capital by the Company.

Background:

We have been informed that the Company’s financial statement currently reflect accumulated losses (Debit balance of Profit & Loss Account) of Rs 3,84,01,09,702 based on the unaudited standalone financial statements for the period ended December 31, 2019.

It is proposed to effect the reduction of share capital by reducing an amount of Rs 2,81,00,14,675 by reducing the face value of each equity share from Rs 10 to Rs 5. Further, it is also proposed that the Securities Premium Account of the Company be reduced from Rs2,67,04,28,364 to Rs164,03,33,337 (subject to statutory and regulatory approvals).

The reduction of capital shall be on proportional basis, and thus there shall not be any change in percentage shareholding of any shareholder of the Company.

Source of information, disclaimer and independence:

The responsibility for ensuring compliance in connection with the proposed reduction of capital, is that of the Board of Directors of the Company. Our responsibility is only to examine the applicability of the valuation report pursuant to Para 4 of Annexure I of SEBI Circular on the proposed reduction of capital. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

For the purpose of issue of this certificate, we have perused and examined the draft Scheme of reduction of the capital of the Company, pre and post Scheme shareholding pattern of the Company, the unaudited financial statement for the period ended December 31, 2019 and other relevant material documents.

Add:- A3 1st Floor Tulsi Garden Apartment Lakshmi Road 8th Cross Shantinagar Bangalore-560027
 Contact No:- 9830554530

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G.V.V.



We are not associated with the management of the Company of the Companies or its promoters or any group company in any way other than in professional capacity and we consider no conflict of interest with the Company. Prior to issuing this certificate, we have considered our independence.

Certificate:

Based on our examination as above, and the information and explanations furnished to us, we hereby certify that the requirement for obtaining the valuation report as mentioned in Para 4 of Annexure I of SEBI Circular is not applicable to the proposed Scheme of reduction of capital of the Company as:

- (i) There is no change in the proportion of shareholding of any of the pre-scheme shareholders of the Company;
- (ii) No new shareholders are proposed to be allotted any equity shares of the Company; and
- (iii) All the pre-Scheme shareholders shall remain as the shareholder of the Company even after post Scheme in the same percentage and proportion except for the reduction of face value of each share held by them from Rs. 10 to Rs. 5.

For Puja Rakhecha & Associates

Puja Rakhecha



CA Puja Rakhecha

Membership No.: 301362

Firm's Registration No.: 020656S

Place: Bangalore

Date: 07-02-2020

UDIN: 20301362 AAAAAE7234

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