



SCHEME FOR REDUCTION OF CAPITAL AND INDICATIVE TIMELINES FOR EFFECTING THE SCHEME OF CAPITAL REDUCTION AND RESUMING THE TRADING IN THE SCRIPT – SUBEX LIMITED.

Background:

The issued, subscribed and paid-up capital of the Company is Rs 5,62,00,29,350 comprising of 56,20,02,935 equity shares of Rs 10 each and the securities premium is Rs. 2,67,04,28,364, based on the unaudited standalone financial statements for the period ended December 31, 2019. Further, these financial statements reflect accumulated losses (i.e., debit balance of profit and loss account) of Rs. 3,84,01,09,702 for the period ended December 31, 2019. Such accumulated losses have substantially wiped off the value represented by the share capital.

Considering the future prospects of growth and value addition to the Company and its Shareholders, it was proposed to re-align the relationship between its capital and assets in accordance with Section 52 & Section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable), and subject to the consent of the Shareholders, NCLT and other statutory authorities as and where applicable, by writing-off the accumulated losses of Rs. 3,840,109,702 reflecting in the unaudited financial statements of the Company as on December 31, 2019, against the paid-up share capital and Securities Premium Account balance of the Company, to have a rational structure which is commensurate with its remaining business and assets.

The Board of Directors at their meeting held on February 07, 2020, approved the Scheme for Reduction of Capital under Section 66 & Section 52 of the Companies Act, 2013. The Scheme was subject to approval of the shareholders, Hon'ble National Company Law Tribunal ("NCLT"), Bengaluru, and all other regulatory approvals.

The proposed reduction of capital by reducing the paid- up equity share and securities premium account of the Company against Accumulated losses, pursuant to the Scheme, shall be reflected in the books of Accounts of the Company, on the Effective date.

Pre-reduction			Post-reduction		
Particulars	No of shares	Amount (Rs.)	Particulars	No of shares	Amount (Rs.)
Authorised Share Capital					
Equity shares of face value Rs 10 each	58,80,40,000	5,88,04,00,000	Equity shares of face value Rs 5 each	1,17,60,80,000	5,88,04,00,000
Preference shares of face value Rs 98 each	2,00,000	1,96,00,000	Preference shares of face value Rs 98 each	2,00,000	1,96,00,000
Issued, subscribed and paid up Share Capital					
Equity shares of face value Rs 10 each	56,20,02,935	5,62,00,29,350	Equity shares of face value Rs. 5 each	56,20,02,935	2,81,00,14,675



In connection with the applicable rules and regulation and MCA Circulars, the Company had sent the Postal Ballot Notice dated May 22, 2020 by email to all its members who had registered their email addresses with the Company or depository/ depository participants and the communication of assent/ dissent of the members took place through remote e-voting system.

The e-voting period for the Postal Ballot commenced on Wednesday, May 27, 2020 from 9.00 a.m. (IST) and ended on Thursday, June 25, 2020 at 5.00 p.m (IST).

The Resolution for reduction of the share capital of the Company was approved with requisite majority and the results were displayed on the website of the Company at <https://www.subex.com/investors/capital-reduction/> and necessary disclosures were made to the Stock Exchanges. Subsequently, the Company made an application before the Hon'ble National Company Law Tribunal, Bengaluru Bench, Bengaluru, seeking their approval to the Scheme.

The NCLT, Bengaluru Bench vide Order dated September 23, 2020 approved the Scheme of Reduction of Share Capital. The Company noted the Order of the NCLT in its Board meeting held on September 24, 2020 and fixed the record date as October 23, 2020 for effecting the Scheme of Capital reduction.

The Company has initiated the process for effecting the Scheme of Capital Reduction by intimating the Record Date to Stock Exchanges and Depositories on October 09, 2020.

Indicative timelines

Sl. No	Activity	Timelines	Remarks
1.	Fixation of record date	X	Completed and October 23, 2020 is fixed as the record date.
2.	Application for Listing of Securities (BSE and NSE)	X + 2 days	The timelines mentioned herein are indicative. The said timelines are subjected to receipt of approvals from Regulatory authorities.
3.	Listing approval from Stock Exchanges	X + 7 – 10 days	
4.	Application for Corporate action NSDL / CDSL	X + 8 – 11 days	
5.	Application to Stock Exchanges for trading approval	X + 9 - 12days	
6.	Approval for credit and debit of shares and resuming the trading	X + 10 - 15days	