



## SUBEX LIMITED

(CIN L85110KA1994PLC016663)

**Registered Office:** RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bengaluru-560103

**Tel.:** +91 80 6659 8700 **Fax:** +91 80 6696 3333

**E mail:** [info@subex.com](mailto:info@subex.com) **Website:** [www.subex.com](http://www.subex.com)

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### NOTICE OF POSTAL BALLOT

**(Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014)**

Dear Members,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 ("**Act**") read with the Companies (Management and Administration) Rules, 2014 ("**Rules**"), including any statutory modification or re-enactment thereof for the time being in force, for seeking the consent of the Members of Subex Limited ("**Company**") for:

1. According approval by means of special resolution for the restructuring of the business of the Company ("**Restructuring**") whereby:
  - (i) The Revenue Maximization Solutions and related businesses carried out by the Company, would be transferred to its subsidiary, Subex Assurance LLP by way of a capital contribution on a going concern basis; and
  - (ii) The Subex Secure and Analytics solutions and related businesses carried out by the Company, would be transferred to its subsidiary, Subex Digital LLP by way of a capital contribution on a going concern basis.Post such Restructuring, the Company would directly hold over 99.99% of the capital of, and have 99.99% share in the profits and losses of, each of Subex Assurance LLP and Subex Digital LLP.
2. According approval by means of special resolution for the amendment to the Articles of Association of the Company.
3. According approval by means of special resolution for the amendment to the Objects Clause of the Memorandum of Association of the Company.
4. According approval by means of ordinary resolution under Section 188 of the Companies Act, 2013 for appointment of Mr. Vinod Kumar Padmanabhan in an office or place of profit at Subex Assurance LLP.
5. According approval by means of ordinary resolution under Section 188 of the Companies Act, 2013 for appointment of Mr. Ashwin Chalapathy in an office or place of profit at Subex Assurance LLP.

The Board of Directors of the Company in their meeting held on 21<sup>st</sup> August, 2017, accorded its approval to proceed with the plan of Restructuring, for amendment of the Articles of Association of the Company, for amendment of the Objects Clause of the Memorandum of Association, and to appoint Mr. Vinod Kumar Padmanabhan and Mr. Ashwin Chalapathy in an office or place of profit at Subex Assurance LLP. The proposed Resolutions and Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, stating the material facts and the reasons thereof, are appended. The Postal Ballot Form is enclosed for your consideration.

The Board of Directors at their meeting held on 21<sup>st</sup> August, 2017 has appointed Mr. Biswajit Ghosh, Practicing Company Secretary, as scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

In accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (including any amendments thereto), the Company is pleased to provide electronic voting ("**e-voting**") facility as an alternative to its Shareholders to enable them to cast their votes electronically instead of casting the vote using physical Postal Ballot Forms.

The Company has engaged National Securities Depository Limited ("**NSDL**") to provide e-voting facilities to the Members. As an alternative to the Postal Ballot voting, Members may choose to vote using e-voting facility, the details whereof are specified under instructions to the Postal Ballot Form.

Members, who opt to vote physically using Postal Ballot Forms or do not have access to e-voting facility can send their assent or dissent in writing on the Postal Ballot Form.

The e-voting facility will be available at the link: <https://www.evoting.nsdl.com/> starting from **9.00 a.m. on 25<sup>th</sup> August 2017 until 5.00 p.m. on 23<sup>rd</sup> September 2017.**

Members are requested to read carefully and follow the instructions printed on the enclosed Postal Ballot Form and return the Form, duly completed and signed, in the attached Postage-prepaid self-addressed envelope so as to reach the Scrutinizer by **5.00 p.m. on or before 23<sup>rd</sup> September 2017.**

Responses received by the Scrutinizer after the above date will be strictly treated as if no response has been received from the Member(s), in terms of the Postal Ballot Rules.

The Scrutinizer will submit his report to the Board of Directors of the Company or any person authorized, after completion of the scrutiny of physical Postal Ballot Forms / e-voting, and the result of the Postal Ballot will be announced at 5.00 p.m. on 25<sup>th</sup> September 2017 at the Registered Office of the Company at RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bengaluru - 560103 and shall thereafter be published in newspapers. The result of the Postal Ballot shall also be displayed at the Registered Office of the Company and hosted on the website [www.subex.com](http://www.subex.com), besides being communicated to the Stock Exchange(s) where the securities of the Company are listed. The Resolution, if approved, will be taken as effectively passed on the last date of receipt of duly completed Postal Ballot form or E-Voting i.e. 23<sup>rd</sup> September, 2017.

Members requiring any clarifications on e-voting may contact National Securities Depository Limited on toll-free number **1800 222 990** or by email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

The following resolutions are requested to be passed by the Members through Postal Ballot.

## 1. Restructuring of the business of the Company

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 (the “**Act**”) and rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), the Memorandum of Association and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to transfer:

- (A) the Revenue Maximization Solutions and related businesses carried out by the Company, to its subsidiary Subex Assurance LLP, by way of a capital contribution, including: (a) the contracts, agreements, licenses, engagements, financial instruments, commitments and other contractual arrangements relating to such business, including obligations under contracts which are surviving and relate to such business; (b) the assets and properties, whether tangible or intangible, rights, titles, interests, privileges, intellectual property and licenses relating to such business, including the shares of Subex (UK) Limited and Subex Middle East (FZE); (c) all liabilities, debts and obligations of all nature, whether or not recorded, relating to such business; and (d) certain identified persons on the payroll of the Company, (the “**RMS Business**”), for a consideration of ₹ 641,62,00,000/- (Rupees Six Hundred Forty One Crores and Sixty Two Lakhs only), subject to working capital adjustments, in the form of a credit to the Company’s capital account with Subex Assurance LLP, on such terms and conditions as set out in the Limited Liability Partnership Agreement (“**SA LLP Agreement**”) proposed to be entered into by and between the Company, Subex Digital LLP and Subex Assurance LLP.
- (B) the Subex Secure and Analytics solutions and related businesses carried out by the Company, to its subsidiary Subex Digital LLP, by way of a capital contribution, including: (a) the contracts, agreements, licenses, engagements, financial instruments, commitments and other contractual arrangements relating to such business, including obligations under contracts which are surviving and relate to such business; (b) the assets and properties, whether tangible or intangible, rights, titles, interests, privileges, intellectual property and licenses relating to such business; (c) all liabilities, debts and obligations of all nature, whether or not recorded, relating to such business; and (d) certain identified persons on the payroll of the Company, (the “**Digital Business**”); for a consideration of ₹16,00,00,000/- (Rupees Sixteen Crores only), subject to working capital adjustments, in the form of credit to the Company’s capital account with Subex Digital LLP, on such terms and conditions as set out in the Limited Liability Partnership Agreement (“**SD LLP Agreement**”) proposed to be entered into by and between the Company, Subex Assurance LLP and Subex Digital LLP.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board, be and is hereby authorized to take such actions and to give all such directions as may be necessary or desirable and also to settle any questions that may arise in regard to the contribution of the RMS Business and Digital Business to Subex Assurance LLP and Subex Digital LLP, respectively (including the power to modify, amend, supplement, execute, deliver and perform the SA LLP Agreement and the SD LLP Agreement), as they deem fit and appropriate in the interests of the Company, and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith.”

**2. Amendment to the Articles of Association:**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the Memorandum of Association and Articles of Association of the Company, the consent and approval of the members of the Company be and is hereby accorded for adoption of the draft Articles of Association attached to this notice of Postal Ballot in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**3. Amendment to the Objects Clause of the Memorandum of Association:**

To consider and, if thought fit, to pass, the following resolutions as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the Memorandum of Association and Articles of Association of the Company, the consent and approval of the members of the Company be and is hereby accorded to:

- (A) amend the main objects clause of the Memorandum of Association of the Company by inserting the following clauses under Part III (A):

*Clause 4 - To carry on the business of software development, designing, customisation, implementation, maintenance, testing and benchmarking of all softwares and dealing in computer software and solutions, and to import, export, sell, purchase, distribute, host or otherwise deal in own and third party computer software packages, programs and solutions, and to provide internet / web based applications, services and solutions, provide or take up information technology related assignments on sub-contracting basis, offering services on-site/ offsite or through development centres using owned/ hired or third party infrastructure and equipment, to undertake information technology enabled services like data processing, back office processing, data warehousing and database management.*

*Clause 5 - To offer consultancy, advisory and all related services in all areas of information technology including computer hardware and software, data communication, telecommunications, process control and automation, project management, information technology requirements management, artificial intelligence, natural language processing and to undertake research and development, to all persons, entities, governments, bodies whether private or public in India and outside India.*

- (B) amend the incidental or ancillary objects clause of the Memorandum of Association by inserting the following clause as clause 21 under Part III(B), in substitution, and to the entire exclusion, of the existing provisions of clause 21 under Part III(B):

*Clause 21 - To form, incorporate or promote any entity or entities, whether in India or in any foreign country, having amongst its or their objects the acquisition of all or any of the assets or control, management or development of the Company or any other objects which in the opinion of the Company could or might directly or indirectly assist the Company in the management of its business or the development of its properties or otherwise prove advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or entity in any manner it shall think fit for services rendered or to be rendered in, or about the formation or promotion of the entity of the conduct of its business or in or about the promotion or formation of any other entity in which the Company may have an interest.*

- (C) delete and remove Part III(C) of the Memorandum of Association, being the other objects clause, in its entirety.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to all of the above mentioned resolutions.”

**4. Approval under Section 188 of the Companies Act, 2013 for appointment of Mr. Vinod Kumar Padmanabhan in an office or place of profit at Subex Assurance LLP:**

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions of the Companies Act, 2013 and relevant rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent and approval of the members of the Company be and is hereby accorded for the appointment of Mr. Vinod Kumar Padmanabhan (currently a whole-time director of the Company) in an office or place of profit at Subex Assurance LLP, pursuant to which Mr. Vinod Kumar Padmanabhan shall continue to be a director of the Company in a non-executive, non-independent capacity.”

**5. Approval under Section 188 of the Companies Act, 2013 for appointment of Mr. Ashwin Chalapathy in an office or place of profit at Subex Assurance LLP:**

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions of the Companies Act, 2013 and relevant rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent and approval of the members of the Company be and is hereby accorded for the appointment of Mr. Ashwin Chalapathy (currently a whole-time director of the Company) in an office or place of profit at Subex Assurance LLP, pursuant to which Mr. Ashwin Chalapathy shall continue to be a director of the Company in a non-executive, non-independent capacity.”

**Place: Bengaluru**

**Date: 21<sup>st</sup> August, 2017**

**By Order of the Board**

**Anil Singhvi**

**Chairman & Independent Director**

**DIN: 00239589**

**Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts in respect of the Special Resolutions and Ordinary Resolutions is annexed hereto.
2. All documents referred to in this Postal Ballot Notice and Explanatory Statement setting out material facts are open for inspection by the Members at the Registered Office of Subex between 10.00 a.m. and 12 noon on all working days of Subex from the date hereof up to **25<sup>th</sup> September 2017**.
3. The Notice of Postal Ballot is being sent to all members whose names appear in the Register of Members/ List of Beneficial Owners as received from the Depositories as on **11<sup>th</sup> August 2017**.
4. The Postal Ballot Form, along with the instructions for Ballot voting and e-voting, is enclosed separately.
5. The Postal Ballot Notice along with the Postal Ballot Form shall also be hosted on Subex's website: [www.subex.com](http://www.subex.com)
6. Shareholders who wish to avail physical copies of the Postal Ballot Notice / Form shall be provided the same upon request.
7. Shareholders can also register their e-mail IDs and contact numbers with the Company by sending details to [investorrelations@subex.com](mailto:investorrelations@subex.com)

## EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (“Companies Act”) to the accompanying Notice dated 21<sup>st</sup> August, 2017

### Item no. 1: Restructuring of the business of the Company

#### 1. Material Facts relating to the Restructuring of the business of the Company

Members are informed that the Board of Directors in their meeting held on 21<sup>st</sup> August, 2017 have, subject to the approval of members, approved the proposed Restructuring, whereby: (i) the Company’s Revenue Maximization Solutions and related businesses will be transferred by way of a capital contribution being made to its subsidiary, Subex Assurance LLP, in terms of the SA LLP Agreement proposed to be executed in this regard; and (ii) the Company’s Subex Secure and Analytics solutions and related businesses will be transferred by way of a capital contribution being made to its subsidiary, Subex Digital LLP in terms of the SD LLP Agreement proposed to be executed in this regard. The Company will retain and continue to operate its Network Analytics business and such other businesses which are not being transferred as part of the Restructuring. Further, particulars of the Restructuring are outlined below:

##### **A) RMS Business**

The Board at its meeting on 21<sup>st</sup> August 2017, approved a draft of the SA LLP Agreement, proposed to be entered into between the Company, Subex Digital LLP and Subex Assurance LLP, in respect of the contribution of the Revenue Maximization Solutions and related businesses carried out by the Company, into Subex Assurance LLP, including: (a) the contracts, agreements, licenses, engagements, financial instruments, commitments and other contractual arrangements relating to such business including obligations under contracts which are surviving and relate to such business; (b) the assets and properties, whether tangible or intangible, rights, titles, interests, privileges, intellectual property and licenses relating to such business, including the shares of Subex (UK) Limited and Subex Middle East (FZE); (c) all liabilities, debts and obligations of all nature, whether or not recorded, but relating to such business; and (d) certain identified persons on the payroll of the Company (the “**RMS Business**”).

As consideration for such contribution, the Company’s capital account in Subex Assurance LLP will be credited by an amount of ₹ 641,62,00,000/- (Rupees Six Hundred Forty One Crores and Sixty Two Lakhs only), subject to working capital adjustments in the manner set out in the SA LLP Agreement, and as supported by the report of an independent valuer to be the fair value of the RMS Business. The consideration shall be represented as an investment in the books of the Company.

Following the Restructuring, the Company would directly hold over 99.99% of the capital of, and have 99.99% share in the profits and losses of, Subex Assurance LLP, while Subex Digital LLP would hold the balance capital of, and have a 0.01% share in the profits and losses of, Subex Assurance LLP. Accordingly, the entire economic interest as well as control and ownership of the RMS Business would remain within the Subex Group pursuant to the Restructuring.

##### **B) Digital Business**

The Board at its meeting on 21<sup>st</sup> August 2017, approved a draft of the SD LLP Agreement, proposed to be entered into between the Company, Subex Assurance LLP and Subex Digital LLP in respect of the contribution of the Subex Secure and Analytics solutions and related businesses carried out by the Company into Subex Digital LLP, including: (a) the contracts, agreements, licenses, engagements, financial instruments, commitments and other contractual arrangements relating to such business including obligations under contracts which are surviving and relate to such business; (b) the assets and properties, whether tangible or intangible, rights, titles, interests, privileges, intellectual property and licenses relating to such business; (c) all liabilities, debts and obligations of all nature, whether or not recorded, but relating to such business; and (d) certain identified persons on the payroll of the Company (the “**Digital Business**”).

As consideration for such contribution, the Company’s capital account in Subex Digital LLP will be credited by an amount of ₹ 16,00,00,000/- (Rupees Sixteen Crores only), subject to working capital adjustments in the manner set out in the SD LLP Agreement, and as supported by the report of an independent valuer to be the fair value of Digital Business. The consideration shall be represented as an investment in the books of the Company.

Following the Restructuring, the Company would directly hold over 99.99% of the capital of, and have 99.99% share in the profits and losses of, Subex Digital LLP, while Subex Assurance LLP would hold the balance capital of, and have a 0.01% share in the profits and losses of, Subex Digital LLP. Accordingly, the entire economic interest as well as control and ownership of the Digital Business would remain within the Subex Group pursuant to the Restructuring.

#### 2. Purpose of the Restructuring:

The proposed Restructuring and the contributions being made in this regard, are in line with the Company’s overall ‘Subex 3.0’ strategy, wherein the Company intends to segregate and restructure its various business verticals, for the following commercial reasons, *inter alia*:

- (i) Segregate the Company's business into separate verticals, facilitating greater focus on each business vertical and higher operational efficiencies;
- (ii) enhance the ability of the Company to enter into business specific partnerships and to attract strategic investors at respective business levels;
- (iii) improve organizational capabilities, arising from the segregation of human capital and focus the diverse skills, talent and experience in specialized fields to compete successfully in an increasingly competitive industry;
- (iv) de-risk various business verticals from each other; and
- (v) enhance value for the shareholders of the Company.

### **3. Nature of Concern or Interest of Directors, Manager, Key Managerial Personnel and their Relatives**

None of the directors, managers, key managerial personnel of the Company and their relatives are interested or concerned in the said resolution except to the extent of their respective shareholding, if any, in the Company.

### **Item no. 2: Amendment of the Articles of Association of the Company**

#### **1. Material Facts relating to the Amendment of the Articles of Association**

The existing Articles of Association of the Company contain certain provisions in relation to the US\$127,721,000 5.70% Secured Foreign Currency Convertible Bonds (FCCB III) issued by the Company on 6<sup>th</sup> July 2012. The said FCCB III were duly redeemed by the Company on the maturity date of 7<sup>th</sup> July 2017. As such, the provisions pertaining to FCCB III in the Articles of Association of the Company are now redundant, and would need to be removed from the Articles of Association of the Company.

Further, in line with the sound corporate governance practices followed by the Company, the Board of Directors propose to include certain provisions pertaining to control and management of Subex Assurance LLP and Subex Digital LLP in the revised Articles of Association, whereby certain specified matters relating to Subex Assurance LLP and Subex Digital LLP would need to be approved by the Members of the Company and/ or the Board of the Company; as the case may be.

As per the provisions of the Act, amendment of the Articles of Association of the Company requires approval of the Members of the Company by means of a special resolution.

None of the directors, managers, key managerial personnel of the Company and their relatives are interested or concerned in the said resolution except to the extent of their respective shareholding, if any, in the Company.

### **Item no. 3: Amendment of the Objects Clause of the Memorandum of Association of the Company**

#### **1. Material Facts relating to the Amendment of the Objects Clause of the Memorandum of Association**

The objects clause of the Memorandum of Association of the Company is being recommended for amendment to bring it in line with the requirements of the Companies Act, 2013, and to expand the scope of the objects clause of the Company. The 'other objects' under the objects clause is proposed to be removed from the Memorandum of Association of the Company to bring it in line with the provisions of the said Act.

As per the provisions of the Act, amendment of the Memorandum of Association of the Company would require approval of the Members of the Company by means of a special resolution.

None of the directors, managers, key managerial personnel of the Company and their relatives are interested or concerned in the said resolution except to the extent of their respective shareholding, if any, in the Company.

### **Item no. 4: Approval under Section 188 of the Companies Act, 2013 for appointment of Mr. Vinod Kumar Padmanabhan in an office or place of profit at Subex Assurance LLP**

#### **1. Material Facts relating to the Appointment of Mr. Vinod Kumar Padmanabhan in an office or place of profit at Subex Assurance LLP**

Mr. Vinod Kumar Padmanabhan is the Chief Operating Officer of Subex Limited. He was appointed as the Whole Time Director of the Company effective 25<sup>th</sup> May 2017 for a period of 3 years by the Members of the Company at the 23<sup>rd</sup> Annual General Meeting held on 28<sup>th</sup> July 2017.

Following completion of the Restructuring, he will be employed by Subex Assurance LLP, on the same terms as his existing employment agreement with the Company. As part of the overall 'Subex 3.0 strategy', it is envisaged that this will be beneficial for the Company, considering that the RMS Business of the Company, which is a substantial undertaking of the Company, is proposed to be contributed to Subex Assurance LLP as part of the Restructuring (subject to the approval of the Members that is being sought through this Postal Ballot). Mr. Vinod Kumar Padmanabhan shall continue to be a non-executive, non-independent director of the Company post the Restructuring. The key particulars of his proposed appointment by Subex Assurance LLP are as set out below:

a) Nature of Contract/ Agreement: Employment Agreement

b) Material Terms:

- i. Salary: ₹ 125 lakhs per annum (i.e. the same as under his existing employment agreement with the Company).
- ii. Commission: Mr. Vinod Kumar Padmanabhan will be eligible for commission payable on performance basis which is 130% of the base salary mentioned above on a yearly basis subject to a minimum of ₹ 55 lakhs (i.e. the same as under his existing employment agreement with the Company).
- iii. Other terms: Same as under his existing employment agreement with the Company, which was approved by the Members of the Company at the 23<sup>rd</sup> Annual General Meeting held on 28<sup>th</sup> July 2017.

As he is a director of the Company, his appointment and remuneration in an office of profit in Subex Assurance LLP, a subsidiary of the Company, requires approval of the Members by means of an ordinary resolution.

Apart from Mr. Vinod Kumar Padmanabhan, none of the directors, managers, key managerial personnel of the Company and their relatives are interested or concerned in the said resolution except to the extent of their respective shareholding, if any, in the Company.

**Item no. 5: Approval under Section 188 of the Companies Act, 2013 for appointment of Mr. Ashwin Chalapathy in an office or place of profit at Subex Assurance LLP**

**1. Material Facts relating to the Appointment of Mr. Ashwin Chalapathy in an office or place of profit at Subex Assurance LLP**

Mr. Ashwin Chalapathy is the Chief Technology Officer and Head of Service Delivery of Subex Limited. He was appointed as the Whole Time Director of the Company effective 25<sup>th</sup> May 2017 for a period of 3 years by the Members of the Company at the 23<sup>rd</sup> Annual General Meeting held on 28<sup>th</sup> July 2017.

Following completion of the Restructuring, he will be employed by Subex Assurance LLP, on the same terms as his existing employment agreement with the Company. As part of the overall 'Subex 3.0 strategy', it is envisaged that this will be beneficial for the Company, considering that the RMS Business of the Company, which is a substantial undertaking of the Company, is proposed be contributed to Subex Assurance LLP as part of the Restructuring (subject to the approval of the Members that is being sought through this Postal Ballot). Mr. Ashwin Chalapathy shall continue to be a non-executive, non-independent director of the Company post the Restructuring. The key particulars of his proposed appointment by Subex Assurance LLP are as set out below:

a) Nature of Contract/ Agreement: Employment Agreement

b) Material Terms:

- i. Salary: ₹ 110 lakhs per annum (i.e. the same as under his existing employment agreement with the Company).
- ii. Commission: Mr. Ashwin Chalapathy will be eligible for commission payable on performance basis which is 130% of the base salary mentioned above on a yearly basis subject to a minimum of ₹ 55 lakhs (i.e. the same as under his existing employment agreement with the Company).
- iii. Other terms: Same as under his existing employment agreement with the Company, which was approved by the Members of the Company at the 23<sup>rd</sup> Annual General Meeting held on 28<sup>th</sup> July 2017.

As he is a director of the Company, his appointment and remuneration in an office of profit in Subex Assurance LLP, a subsidiary of the Company, requires approval of the Members by means of an ordinary resolution.

Apart from Mr. Ashwin Chalapathy, none of the directors, managers, key managerial personnel of the Company and their relatives are interested or concerned in the said resolution except to the extent of their respective shareholding, if any, in the Company.

**Place: Bengaluru**

**Date: 21<sup>st</sup> August, 2017**

**By Order of the Board**

**Anil Singhvi**

**Chairman & Independent Director**

**DIN: 00239589**

**Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (LODR), Regulations, 2015, the Company is pleased to provide remote e-voting facility to all

its Members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of NSDL for the purpose of providing remote e-voting facility to all its Members.

The instructions for remote e-voting are as follows:

1. Members whose email addresses are registered with the Company / Depository Participant(s) will receive an email from NSDL informing them of their User-ID and Password. Once the Member receives the email, he or she will need to go through the following steps to complete the remote e-voting process:
  - a. Open email and open the PDF file titled 'remote e-voting.pdf', using your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that this password is an initial password.
  - b. Launch your internet browser and type out the following URL: <https://www.evoting.nsd.com>.
  - c. Click on Shareholder – Login.
  - d. Enter the user ID and password (the initial password noted in step (a) above). Click on Login.
  - e. The Password change menu will appear. Change the password to a password of your choice. The new password should have a minimum of 8 digits / characters or combination thereof. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.
  - f. The homepage of remote e-voting will open. Click on remote e-voting: Active Voting Cycles.
  - g. Select 'EVEN' (Remote E-Voting Event Number) of Subex Limited.
  - h. Now you are ready for remote e-voting as the Cast Vote page opens.
  - i. Cast your vote by selecting the option of your choice and click on 'submit'. Remember to 'Confirm' when prompted.
  - j. On confirmation, the message 'Vote cast successfully' will be displayed.
  - k. Once you have voted on a resolution, you will not be allowed to modify your vote.
  - l. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF / JPG Format) of the relevant Board resolution / authorization letter etc., together with attested specimen signature of the authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer via e-mail, to [biswajit@adyanta.co.in](mailto:biswajit@adyanta.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. For Members whose email IDs are not registered with the Company / Depository Participant(s) and who receive the physical Postal Ballot Forms, the following instructions may be noted:
  - a. The initial password is provided at the bottom of the Postal Ballot Form.
  - b. Please follow all the steps from a. to l. mentioned above, in order to successfully cast your vote.
3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) and remote e-voting user manual for Members available in the 'Downloads' section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990
4. Login to the remote e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the site to reset the password.
5. If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote.
6. The remote e-voting period commences on Friday, 25<sup>th</sup> August 2017 (9:00 Hours IST) and ends on Saturday, 23<sup>rd</sup> September 2017 (17:00 Hours IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the relevant date, i.e. 11<sup>th</sup> August 2017 may cast their vote electronically. The remote e-voting module shall be disabled by 23<sup>rd</sup> September 2017 (beyond 17:00 Hours IST) for voting thereafter. Once the vote on a resolution is cast by a Member, he or she will not be allowed to change it subsequently.
7. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the relevant date, i.e. 11<sup>th</sup> August 2017.
8. The Scrutinizer will submit his report to the Board of Directors after the completion of scrutiny, and the result of the voting by postal ballot will be announced by the Company Secretary or any Director of the Company duly authorized, by 17:00 Hours IST, on or before 25<sup>th</sup> September 2017 at the registered office and will also be displayed on the website of the Company ([www.subex.com](http://www.subex.com)), besides being communicated to the Stock Exchanges, Depository, Registrar and Share Transfer Agent on the said date.
9. The resolutions if passed by requisite majority shall be deemed to have been passed on the last date of receipt of duly completed Postal Ballot Forms or E-Voting i.e. 23<sup>rd</sup> September, 2017.



**ARTICLES OF ASSOCIATION  
OF  
SUBEX LIMITED  
(Public Company limited by Shares)  
(Incorporated under the Companies Act, 1956 as amended under the Companies Act, 2013)**

**PRELIMINARY**

(1) For the purposes of these Articles:

“The Act” and reference to any Section or provision thereof respectively means and includes the Companies Act, 2013 and any statutory modification or re-enactment thereof for the time being in force and reference to the Section or provisions of the Act or such statutory modification.

“Associate” means that an enterprise in which the Company has a significant influence, but which is not a Subsidiary Company of the Company having such influence and includes a joint venture Company. For the purposes of this definition, “significant influence”, means control of at least twenty percent of total share capital, or of business decisions under an agreement.

“Article” or “these Articles” means the Articles set out herein.

“Auditors” means and includes those persons appointed as such for the time being by the Company.

“Board” or “Board of Directors” means the Board of Directors and the Directors collectively or a Meeting of the Directors duly called and constituted or, as the case may be, the Directors assembled at the Board or the Directors of the Company collectively.

“Business Day” means a day, not being a Saturday or a Sunday, on which banks are open for business (including for dealings in foreign currency deposits and exchange) in Bangalore and in the context of a payment being made to or from a bank in a place other than India, in such other place.

“Capital” means the share capital for the time being raised or authorised to be raised for the purpose of the Company.

“Chairman” means the Chairman of the Company in these Articles.

“The Company” or “this Company” means **SUBEX LIMITED**.

The word “Debenture” includes Debenture-Stock.

“Designated Partner” means person nominated as designated partners of the relevant LLP, in accordance with the terms of the relevant LLP Agreement.

“Director” means a Director appointed to the Board of the Company.

“Dividend” includes any interim dividend.

“General Meeting” means the Annual General Meeting and Extraordinary General Meeting of the Company, as the case may be, as defined by the relevant provisions of the Act. The resolutions passed through Postal Ballot will have the same effect as passed in a General Meeting.

“Group” or “Group Company” means the Company and its Subsidiaries or any entity of which the Company is a Subsidiary or any entity which is a Subsidiary of an entity that the Company is a Subsidiary of and “Group Company” means any of them.

“LLP” means a limited liability partnership registered under the provisions of the Limited Liability Partnership Act, 2008 which is Subsidiary of Subex Limited, and includes without limitation, Subex Assurance LLP (bearing registration number AAJ-0729) and Subex Digital LLP (bearing registration number AAJ-0728).

“LLP Agreement” means, in respect of an LLP, the Limited Liability Partnership Agreement entered into between *inter alia* the partners of such LLP, as may be amended or supplemented from time to time, and includes without limitation: (i) the Limited Liability Partnership Agreement entered into between *inter alia* the partners of Subex Assurance LLP; and (ii) the Limited Liability Partnership Agreement entered into between *inter alia* the partners of Subex Digital LLP; in each case, as may be amended or supplemented from time to time.

“Managing Director” means the Managing Director or Managing Directors of the Company for the time being.

“Member” means a duly registered holder of Shares from time to time and includes the subscribers to the memorandum of the Company and beneficial owners as defined in the Depositories Act, 1996.

“Month” means Calendar Month.

“Office” means the Registered Office for the time being of the Company.

“Ordinary Resolution” and “Special Resolution” shall have the meanings assigned thereto respectively under the Act.

“Paid up” includes credited as paid-up.

“Person” includes corporations as well as individuals.

“Postal Ballot” means voting by post or through any electronic mode. The resolutions passed through Postal Ballot will have the same effect as passed in a General Meeting.

“Promoter and Promoter Group” shall mean Mr. Subash Menon, Mr. Sudeesh Yezhuvath, Kivar Holdings Private Limited, and/or each other person listed as a promoter of the Company under any filings made by the Company pursuant to regulations issued by the Securities and Exchange Board of India.

“Property” means, in respect of the Company and/or any of its Subsidiaries, any interest of the Company and/or its Subsidiaries in any kind of property or asset, whether real, personal or mixed, tangible or intangible, including capital stock in, and other securities of, any other person.

“Proxy” includes Attorney duly constituted under a Power of Attorney.

“The Registrar” means the Registrar of Companies of the state in which the registered office of the Company is situated for the time being.

“Related Party” shall have the meaning assigned thereto under the Act.

“Seal” means the common seal for the time being of the Company.

“Secretary” means any individual possessing qualifications prescribed for the time being by Rules made under the Act and appointed to perform the duties which may be performed by a Secretary under the Act and any other ministerial or administrative duties.

“Shareholder” means any person(s) who is a holder of any class of Shares.

“Shares” and “Shares in the Company” mean all classes of shares in the Capital of the Company or any class thereof, as the case may be and includes stock except where a distinction between stock and shares is expressed or implied and also includes any and all the rights conferred on a person by the ownership of such shares.

“Subsidiaries/‘Subsidiary” means a subsidiary as defined under Section 2(87) of the Companies Act, 2013.

“Year” means the calendar year, and “Financial Year” shall have the meaning assigned thereto by Section 2(41) of the Act.

Words importing the masculine gender also include the feminine gender.

Words importing the singular number include, where the context admits or requires, the plural number and vice versa.

“In writing” and “written” include printing or lithography or any other modes of representing or reproducing words in visible form.

(2) Unless the context otherwise requires, words or expressions contained in these Articles of Association shall bear the same meaning as in the Act, or any statutory modification thereof in force on the date on which these Articles become binding on the Company.

## **1. APPLICATION OF TABLE ‘F’**

For the matters not provided herein, the provisions contained in Table ‘F’ shall apply to the Company.

## **2. PUBLIC COMPANY**

The Company is a Public Company within the meaning of Section 2(71) of the Companies Act, 2013, with a minimum Paid up Capital of Rupees Five lakhs or such higher paid up capital as may be prescribed and accordingly:

- (i) Does not restrict the right to transfer its shares;
- (ii) Does not limit the number of its members to two hundred:

Provided further that-

- (A) persons who are in the employment of the Company; and
- (B) persons who, having been formerly in the employment of the Company, were members of the Company while in that employment and have continued to be members after the employment ceased, shall not be included in the number of members; and
- (iii) Does not prohibit any invitation to the public to subscribe for any securities of the Company;

### **3. SHARE CAPITAL:**

#### **(1) Amount of Capital:**

The authorised share capital of the Company shall be such amount as stated in the Company's Memorandum from time to time, with such rights, privileges and conditions attaching thereto as may be determined by the Company in General Meeting, and if no direction be given, as the Directors may determine.

#### **(2) Change in Capital:**

- a) The Company may, from time to time, by Ordinary Resolution in General Meeting, increase or alter the authorized share capital by such sum to be divided into shares of such amount, as may be specified in the resolution.
- b) The Company may only by an Ordinary Resolution in General Meeting or Postal Ballot:
  1. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  2. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject nevertheless, to the provisions of clause (d) of sub-Section (1) of Section 61;
  3. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
  4. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination
- c) The Company, may only by Special Resolution in General Meeting or Postal Ballot, reduce in any manner, subject to any procedure authorized and consent required by law:
  1. its Share Capital;
  2. any Capital Redemption Reserve Fund; or
  3. any Share Premium account.

#### **(3) Redeemable Preference Shares:**

Subject to the provisions of Section 55 of the Act and only upon the passing of an Ordinary Resolution in General Meeting, the Company shall have the power to issue Preference Shares which are at the option of the Company or the Preference Shareholders, as the case may be, liable to be redeemed or converted into Equity Shares and the Ordinary Resolution in General Meeting authorizing such issue shall prescribe the manner, terms and conditions of such redemption and/or conversion.

#### **(4) Modification of Rights:**

- (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
- (iii) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

#### **(5) Power to Company only in General Meeting to issue Shares:**

The Company shall only by Special Resolution in General Meeting and in further compliance of the provisions of Section 62 of the Act, issue any shares, security convertible into, or exchangeable or exercisable for, any shares or new equity security, or otherwise, or grant any options, warrants or other securities to subscribe for or acquire shares or any other securities of the Company or any other Group Company, or issue any securities convertible or exchangeable into or exercisable for shares or any other securities of the Company or any other Group Company, or enter into any agreement for any of the foregoing, or purchase or redeem any shares or other securities of the Company, (whether forming part of the original capital or of any increased capital of the Company) and such Special Resolution in General Meeting shall authorize the proportion and the terms and conditions of such issue and whether such Issue shall be either (subject to compliance with the provisions of Sections 52 and 53 of the Act) at a premium or at par or at a discount. The foregoing requirement of obtaining a Special Resolution in General Meeting, except where required

by applicable law, shall not apply to: (i) options granted and shares issued with respect to options granted pursuant to a stock option plan relating to the Company or a Group Company in existence as of the date of these Articles or already approved by a Special Resolution of the shareholders in General Meeting at any time; (ii) any of the foregoing with respect to a Group Company other than the Company where the other party involved is solely the Company or another Group Company; (iii) shares of common stock, or warrants or other securities exercisable or exchangeable for, or convertible into, such shares, to equipment or other lessors, financial institutions or other lenders in connection with commercial credit arrangements, real estate leases, equipment leases or other similar financings; (iv) equity securities pursuant to the acquisition by the Company of another business entity, products or technologies; and (v) shares of common stock, or warrants or other securities exercisable or exchangeable for, or convertible into, such shares, to suppliers, customers or other strategic partners, (vi) rights Issue under Section 62(1) of the Act.

The Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to:

- a) persons who, at the date of offer, are holders of equity shares of the Company such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
- b) employees under any scheme of employees' stock option, subject to approval by the shareholders of the Company by way of a special resolution; or
- c) persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above, subject to approval by the shareholders of the Company by way of a special resolution.

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

#### **4. TRANSFER OF SHARES**

- (1) The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in Depository.

#### **5. TRANSMISSION OF SHARES**

- (1) On the death of sole member, his nominee(s), if any, shall be the only person(s) recognised by the Company as having any title to his interest in the shares to the exclusion of succession laws applicable to the deceased member.
- (2) Every member shall deliver to the Company a nomination in accordance with and subject to the Rules made by the Board.
- (3) In case, the nomination is not made as provided above, it shall be deemed that a nomination has been made by the deceased member himself, in the following order of precedence:
  - a. a spouse, if any;
  - b. child or children, if any, jointly;

EXPLANATION: This includes both unmarried and married children of both sexes.

#### **6. NOMINATION**

Every Shareholder/Debenture holder may nominate a person to whom its Shares in, or the debentures of the Company, shall vest, in accordance with the provisions contained in Companies Act, 2013.

#### **7. CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

##### **(a) SHARE MAY BE CONVERTED INTO STOCK**

The Company may convert any fully paid-up shares into stock and, when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein or any part of such interest, in the same manner and subject to the same regulations as and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time convert any stock into fully paid-up shares of any denomination; provided that there shall be no fresh issue of shares under this provision unless the relevant provisions of these Articles are complied with in this regard.

Further Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose

##### **(b) RIGHT OF STOCKHOLDERS**

The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and

advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

## **8. SHARES IN ELECTRONIC FORM**

### **(A) Definition:**

**'Depository'** shall mean a Depository as defined under clause (e) of sub Section (1) of Section 2 of the Depositories Act, 1996.

**'Beneficial Owner'** shall mean the beneficial owner as defined in clause (a) of sub Section (1) of Section 2 of the Depositories Act, 1996.

**'Shareholder' or 'Member'** means the duly registered holder of the shares from time to time and includes the subscribers to the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub Section (1) of Section 2 of the Depositories Act, 1996.

**'SEBI'** means the Securities and Exchange Board of India;

**'Bye-laws'** means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996:

**'Depositories Act'** means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force:

**'Record' includes** the records maintained in the form of books or stored in a computer or in such other form as may be determined by the Regulations:

**'Regulations'** means the regulations made by the SEBI Board;

**'Security'** means shares, debentures and such other security as may be specified by the SEBI Board from time to time.

### **(B) Dematerialisation/Rematerialisation of securities**

- i. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize/rematerialize its securities and to offer securities in the dematerialised form, pursuant to the Depositories Act and the rules framed there under.
- ii. The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are dematerialised in future or issued in future in dematerialised form'.
- iii. The Company shall be entitled to dematerialize its existing shares, rematerialise its shares held in the Depositories and/or to offer its fresh shares, debentures and other securities, in a in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed there under, if any'.

### **(C) Option to receive security certificates or hold securities with Depository**

1. Every person subscribing to the securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository.
2. Where a person opts to hold a security with a Depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of such information the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

### **(D) Securities in depositories to be in fungible form**

- (1) All securities held by a Depository shall be dematerialised and shall be in fungible form.
- (2) Nothing contained in Section 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.
- (3) In case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form, the provisions of the Depositories Act, 1996, shall apply".

### **(E) Rights of Depositors and Beneficial Owners**

- (1) Notwithstanding anything to the contrary contained in the Articles or in any other law for the time being in force, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of a beneficial owner.

- (2) Save as otherwise provided in clause (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it.
- (3) Every person holding securities of the Company and whose name is entered as beneficial owner in the records of the Depository shall be deemed to be the member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of his securities held by a Depository.
- (4) Nothing contained in the foregoing Article shall apply to transfer of security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of Depository.

**(F) Depository to furnish information**

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owners at such intervals and in such manner as may be specified by the bye-laws and the Company in this behalf.

**(G) Option to opt out in respect of any such security**

- (1) If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly.
- (2) The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company.
- (3) The Company shall, within (30) days of the receipt of intimation from a Depository and fulfilment of such conditions and on payment of such fees as may be specified by the Regulations, issue the certificate of securities to the beneficial owner or the transferee, as the case may be.

**(H) Section 56 of the Act not to apply**

Notwithstanding anything to the contrary contained in the Articles:

- (1) Nothing contained in Section 56 of the Act shall apply to a transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

**(I) Registers and Index of beneficial owners**

- (1) The Register and index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and index of members for the purposes of the Act and these Articles.
- (2) Except as ordered by a court of competent jurisdiction or by Law required, the Company shall be entitled to treat the person whose name appears on the Register of members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust, or equity and equitable contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.
- (3) The Company shall keep a Register and index of Members in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by Law including in any form of electronic media. The Company shall be entitled to keep in any State or Country outside India, a branch Register of members resident in that State or Country.
- (4) The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered on the Register of Members in respect thereof.

**9. DIVIDENDS AND OTHER DISTRIBUTIONS**

**DIVISION OF PROFITS**

- 9.1. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles shall be divisible among the members in proportion to the amount of capital paid-up or credited as paid-up on the shares held by them respectively.

**THE COMPANY IN GENERAL MEETING MAY DECLARE A DIVIDEND**

- 9.2. The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

### **DIVIDENDS ONLY TO BE PAID OUT OF PROFITS**

- 9.3. No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profit of the Company and remaining undistributed or out of both, provided that;
- (a) If the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;
  - (b) If the Company has incurred any loss in any previous financial year or years, the amounts of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both case after providing for depreciation in accordance with the provisions of Section 123 of the Act or against both.

### **INTERIM DIVIDEND**

- 9.4. The Board may subject to provisions of the Act, from time to time, pay to the members, such interim dividend as in its judgement the position of the Company justifies.

### **CAPITAL PAID UP IN ADVANCE AT INTEREST NOT TO EARN DIVIDEND**

- 9.5. Where capital is paid in advance of call, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits or voting rights.

### **DIVIDEND IN PROPORTION TO AMOUNT PAID-UP**

- 9.6. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend accordingly.

### **RETENTION OF DIVIDENDS UNTIL COMPLETION OF TRANSFER**

- 9.7. The Board may retain the dividends payable upon shares in respect of which any person is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.

### **DIVIDEND ETC., TO JOINT HOLDERS**

- 9.8. Any one of several persons who are registered as the Joint-Holders of any share may give effectual receipts for all dividends or bonus or other moneys payable in respect of such shares.

### **NO MEMBER TO RECEIVE DIVIDEND WHILE INDEBTED TO THE COMPANY AND COMPANY'S RIGHT OF REIMBURSEMENT THEREOF**

- 9.9. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares, or otherwise, however, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of the money so due from him to the Company.

### **TRANSFER OF SHARES MUST BE REGISTERED**

- 9.10. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

### **DIVIDEND HOW REMITTED**

- 9.11. Unless otherwise directed, any dividend may be paid by cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint holders to that one of them first named in Register in respect of the joint holders. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission; or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

### **UNCLAIMED DIVIDEND**

- 9.12. Any amount remains unpaid in the Dividend account as mentioned in the Article '9.14' and '9.15' below, may be treated in the manner prescribed under the Act.

### **NO INTEREST ON DIVIDENDS**

9.13. No unpaid dividend shall bear interest as against the Company.

### **TRANSFER TO SPECIAL BANK ACCOUNT**

9.14. The Company after having declared the dividend must transfer the unpaid or unclaimed dividend, if any, to special account in a scheduled Bank to be named suitably to represent the Unpaid Dividend Account of **SUBEX LIMITED** within 7 days after the expiry of 30 days commencing from the date of declaration of dividend.

### **TRANSFER TO GENERAL REVENUE ACCOUNT**

9.15. If any dividend remains unpaid or unclaimed for a period of seven years after the amount is transferred to the special bank Account, the amount remaining in the special bank Account will have to be transferred to the General Revenue Account of the Central Government, containing the details of the share-holders who have not been paid the dividend and the amount of dividend unclaimed.

### **DIVIDEND AND CALL TOGETHER**

9.16. Any General Meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting fixes, but so that call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged, between the Company and the member, be set off against the calls.

## **10. CAPITALIZATION OF RESERVE**

- (1) The Company may, by Special Resolution in General Meeting, may upon the recommendation of the Board, resolve:
  - a. That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - b. That such sum be accordingly set free for the distribution in the manner specified in Section (2) amongst the members who have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Section (3), either in or towards:
  - a. Paying up any amounts for the time being unpaid on any shares held by such members respectively
  - b. Paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid or
  - c. Partly in the way specified in sub Section (a) and partly in that specified in sub Section
- (3) A share premium account and a capital redemption reserve account may for the purpose of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

## **11. NUMBER OF DIRECTORS**

There shall be a minimum of 3 and maximum of 15 Directors including all kinds of Directors but excluding nominee Directors of the financial institutions.

## **12. APPOINTMENT AND TENURE OF DIRECTORS**

- (1) The first Directors of the Company are:
  1. Mr. Subash Menon
  2. Mr. Alex J. Puthenchira
- (2) The Directors shall cease to be Directors in case of death, resignation or removal as per the Act or disqualification or withdrawal of nomination by the nominating authority.
- (3) The Board may appoint additional Directors in accordance with the provisions of Section 161 (1) of the Companies Act, 2013 for the benefit of the Company in general, and in particular, when there is no quorum at the Board Meeting, and such meeting has to be conducted without adjournment.
- (4) The Board may appoint Alternate Directors as and when required subject to the provisions of Section 161 (2) of the Companies Act, 2013.



(5) Nominee Director

- (a) Notwithstanding anything contained in sub-Article (1) and (2) hereof, financial institutions or banks who have granted long term loans to the Company may appoint Nominee Directors, during the period of their loans remaining unpaid, subject to the provisions of Section 25 of the Industrial Finance Corporation Act, 1948 and Section 27 of the Finance Corporation Act, 1951, as the case may be, or such agreement or arrangement, as has been mutually agreed upon.
- (b) The Nominee Directors so appointed shall not retire by rotation.
- (c) The Nominee Directors shall have the same rights and privileges in respect of voting rights at the Board Meetings, payment of sitting fee and reimbursement of travelling expenses in the same manner as admissible to other Directors.

**13. QUALIFICATION OF DIRECTORS**

No Director shall be required to hold qualification shares.

**14. REMUNERATION, SITTING FEE & COMMISSION**

- (1) The Company may pay remuneration to Directors of the Company:
  - a. Subject to the provisions of the Act, a Managing Director or Director, who is in the whole-time employment of the Company, may be paid remuneration either by way of a monthly payment or at a specified percentage of Company or partly by one way and partly by the other.
  - b. Subject to the provisions of the Act, a Director who is neither in the whole-time employment nor a Managing Director, may be paid remuneration either:
    - 1) By way of monthly, quarterly or annual payment; or
    - 2) By way of commission if the Company by a Special Resolution in General Meeting authorizes such payment
- (2) The Company may pay sitting fees to any Director for attending the Board, Committee or General Meetings of the Company as may be decided by the Board of Directors from time to time. Subject to the requisite approvals, the Directors may be paid commission on profits also.
- (3) The Directors may however be paid all travelling, hotel and other expenses properly incurred by them:
  - a. In attending and returning from meetings of the Board or any committee thereof or General Meeting of the Company; or
  - b. In connection with the activities of the Company.

**15. APPOINTMENT OF MANAGING/WHOLE TIME DIRECTOR**

- (1) The Board may appoint one or more of its body to the office of the Managing Director or Whole Time Director by whatsoever designation on such terms and conditions, including remuneration and privileges, as may be thought proper.
- (2) The Board may vest in such appointee(s) such powers and discretion as may be deemed necessary and expedient.
- (3) Notwithstanding anything contained herein, the Board shall have power to revoke such appointments before expiry of their tenure in the best interest of the Company and such revocation shall not be deemed to be removal within the meaning of Section 169 of the Act.

**16. POWERS OF THE BOARD**

Without prejudice to the general powers conferred on the Board by the Act and the Articles of Association of the Company, the Board shall have the following powers:

- (a) to borrow, with or without security, from any source, without any restrictions as to ceiling, however, subject to the provisions of the Act;
- (b) to make loans or lend money to anyone with security and interest as may be deemed appropriate to achieve the objectives of the Company;
- (c) to invest the funds of the Company in any manner as may be deemed appropriate to achieve the objectives of the Company;
- (d) to give guarantee or provide any security for any amount, with or without consideration;
- (e) to draw, make, accept, negotiate, endorse, discount, assign, execute, issue, buy or sell, promissory notes, bills of exchange, bills of lading and other negotiable instruments;

- (f) to make donations in any form, statutorily required or otherwise for the purpose of contribution to:
  - (1) financial health of the Company; or
  - (2) welfare of the members and the employees of the Company (and their families) present or past;
- (g) to remit or give time for the payment, any debt due by a Director, customer or buyer or an employee;
- (h) to write off any bad debts;
- (i) to pay preliminary expenses, including those of any Company promoted by the Company;
- (j) to adopt, execute any or all the pre-incorporation contracts;
- (k) to delegate any or all the powers contained herein to any functional Directors, with an authority for further sub-delegation;
- (l) to purchase any property movable or immovable in India,
- (m) to appoint an attorney(ies) of the Company, with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) as may be deemed proper and to revoke such appointments;
- (n) to frame rules where required by the provisions of these Articles; and
- (o) Generally to do all deeds and things as the expedience of the business warrants.

#### **17. POWERS OF THE CHAIRMAN**

- (1) The Chairman shall preside over every Board Meeting and General Meeting.
- (2) In the event of equality of votes, the Chairman shall have a casting vote, in addition to his own vote as a Director or a member as the case may be.
- (3) The Chairman may adjourn Board Meeting or a General Meeting or a Meeting of any Committee, as he may deem proper, if and when;
  - a) a quorum is not present within 15 minutes from the time appointed for holding the meeting;
  - b) a poll is demanded;
  - c) a member raises a point of order (strictly confined to incorrect procedure, irrelevancy and unparliamentarily language or transgressing the provisions of Articles of Association of the Company);
  - d) the meeting is turned into a mock show.
- (4) The Chairman may at his discretion close a debate of motion by the member if he is satisfied that such debate serves no useful and constructive purpose.

#### **18. AUTHORITY TO CALL BOARD MEETINGS**

- (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (2) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

#### **19. MEETINGS**

- (1) The Company shall adhere to the Secretarial Standards issued from time to time by the Institute of Company Secretaries of India relating to Board and General Meetings.
- (2) The Board and General Meetings of the Company can be convened through video conference as per the Act.

#### **20. QUORUM**

- (1) Five members present in person at the General Meeting shall be the quorum for such a meeting of the Company.
- (2) Two Directors or one third of the total number of Directors as on the date whichever is higher shall be the quorum for the meetings of the Board/Committee.
- (3) If at the adjourned General Meeting a quorum is not present within half-an-hour from the time appointed for holding the meeting, the members present shall be a quorum.

## **21. PERIOD OF NOTICE FOR CALLING GENERAL MEETING**

- (1) A written notice of not less than 21 (Twenty one) days shall, for every General Meeting, be given to the members to their addresses recorded in the Register of Members or through electronic mode. However the General Meeting may be convened by giving shorter notice with the consent of the Shareholders as per the provisions of the Act.
- (2) The period of notice, provided in the foregoing sub-Article, shall include the day of posting and delivery of a notice and the day of holding the meeting, and the 48 hours' time of postal transit.
- (3) A notice, in pursuance of sub-Article (i) shall be required to be given for every adjourned meeting of the Company.

## **22. CONTENTS OF NOTICE AND PERSONS TO WHOM IT IS TO BE SERVED**

- (1) Every notice of a General Meeting shall specify the place, the day, and the time of the meeting and the agenda of business to be transacted thereat.
- (2) Notice of every General Meeting shall be served on the members of the Company, who are entitled to vote thereat, and the Auditors of the Company, in case of the Annual General Meeting.

## **23. ACCOUNTS**

- (1) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the account and books of the Company or any of them shall be open to the inspection of members (not being Directors).
- (2) No member (not being a Director) shall have any rights of inspection any accounts or books of accounts of the Company except as conferred by the law or authorised by the Board or by the Company in General Meeting.
- (3) The Directors shall in all respects comply with the provisions of Sections 128,129,133,134, 135 and 136 of the Act, and the Statement of Profit and Loss, Balance Sheet and Auditors Report and every other documents required by law to be annexed or attached, as the case may be, to the Balance Sheet shall be sent to every member of the Company at least 21 days before the date of the General Meeting of the Company at which they are to be laid.

## **24. BUY BACK OF SHARES**

The Company may purchase its own securities in accordance with the provisions contained in Sections 68 to 70 of the Act and the rules made there under in pursuance of the guidelines issued by the Central Government.

## **25. AUDIT**

The Auditors of the Company shall be appointed as per the Act.

## **26. WINDING UP**

If the Company shall be wound up and the assets available for distribution among the members as such shall Distribution of assets be insufficient to repay whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding-up on the shares held by them respectively, and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up, paid-up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of members registered in respect of shares issued upon special terms and conditions.

## **27. INDEMNITY**

Every Officer, Manager, Director or Agent of the Company, be and is hereby indemnified out of the assets of the Company against any liability incurred by him in discharging his acts *bonafide*.

## **28. COMMON SEAL**

The Common Seal of the Company shall be affixed to any instrument (if such affixing has been authorised by a resolution of the Board or of a Committee of the Board) in the presence of one Director or the Company Secretary of the Company or such other person duly authorised by the Board, if any, and such Director or the Secretary or the said authorised person shall sign every instrument to which the Common Seal of the Company is so affixed in his presence.

## **29. SECRECY CLAUSE**

- (1) Every Director, Manager, Auditor, Treasurer, Trustee, member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration

pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these Articles and to sign any documents in connection with the above as may be decided by the Board from time to time.

- (2) Subject, to the terms of any relevant written agreement or undertaking between the Company and particular members, no member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or such person as may be authorised by the Directors in the regard, or to require discovery of or any information respecting any details of the Company's trading or any matter, which is or may be in the nature of trade secret, mystery of trade, secret process or any other matter which may relate to conduct of the business of the Company and which, in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

### **30. GOVERNANCE OF THE LIMITED LIABILITY PARTNERSHIP SUBSIDIARIES OF THE COMPANY**

- (1) The Board shall have the right to nominate and appoint an individual to act as the Designated Partner of each of the LLPs on behalf of the Company, from time to time.
- (2) Subject to the provisions of Article 30(3) below, the Company shall have the powers of the day to day management of each of the respective LLPs in accordance with the provisions of the relevant LLP Agreements. The Board of the Company shall have the right to exercise such rights on behalf of the Company in the manner it deems fit, including by authorising such persons as it may determine to undertake any such acts or deeds on its behalf.
- (3) The Company shall not, with respect to any of the LLPs, take any action or decision:
  - (i) relating to any of the matters set out in Schedule I, without the approval of the Board and/ or such other persons who may be authorised by the Board in this regard, subject however to the provisions of sub-clauses (ii) and (iii) below;
  - (ii) relating to any of the matters set out in Schedule II, without the approval of the shareholders of the Company, by way of an ordinary resolution, subject however to the provisions of sub-clause (iii) below; and
  - (iii) relating to any of the matters set out in Schedule III, without the approval of the shareholders of the Company, by way of a special resolution.

## Schedule I

### **Matters requiring the approval of the Board of Subex Limited and / or Persons Duly Authorized by the Board of Subex Limited**

- (1) To make any change to the LLP Agreement in respect of an LLP (including any change to the rights and obligations of the partners of the LLP);
- (2) To change the registered office of the LLP;
- (3) To issue or grant partnership interest in the LLP to an existing partner(s) of the LLP or to a Group Company;
- (4) To make any distribution or allocation of profits or losses of the LLP to its partners or any similar or analogous action, including (i) distribution of any profit or interest, or (ii) adjustment of any profit or loss against the partner's capital account, or (iii) withdrawal of capital by any partner of the LLP;
- (5) Each of the matters set out in Article 16 shall apply *mutatis mutandis* to the matters concerning each of the LLPs, to the extent relevant in the context of each LLP;
- (6) To appoint or re-appoint or remove the auditor (or cost auditor) of the LLP (including filling a casual vacancy in the office of the auditor);
- (7) To fix the remuneration payable to the auditor (or cost auditor) of the LLP;
- (8) To appoint or remove a Designated Partner of the LLP, or to fix the remuneration payable to a Designated Partner of the LLP for rendering services to the LLP in his/her capacity as Designated Partner;
- (9) To approve payment to a Designated Partner of the LLP for compensation for loss of office, or consideration for retirement from office, in connection with transfer of undertaking, property or shares;
- (10) To approve a scheme pursuant to which any loan may be given to a Designated Partner, or remitting or giving time for repayment of, any debt due from a Designated Partner
- (11) To adopt the financial statements of the LLP; and
- (12) To change the name of the LLP.

## **Schedule II**

Matters requiring the approval of the members of Subex Limited, by way of an ordinary resolution

- (1) To enter into any agreement or transaction with a 'related party' of Subex Limited, as described in Section 188 of the Companies Act, 2013, that is either not in the ordinary course of business of the LLP or not on an arms' length basis, and which exceeds the thresholds specified in this regard under the Companies Act, 2013 (calculated with reference to Subex Limited);
- (2) To approve arrangements for acquisition of assets, by or from the Designated Partner of the LLP, or a director of Subex Limited or of a subsidiary or associate company of Subex Limited, or a person connected with them, for consideration other than cash.

### Schedule III

Matters requiring the approval of the members of Subex Limited, by way of a special resolution

- (1) To issue or grant partnership interest in the LLP to any Person other than a Group Company or the existing partners of the LLP.
- (2) To approve the incurrence any indebtedness (including a loan or debentures) where the terms provide for an option to convert the debt into partnership interest or capital.
- (3) To approve any merger, demerger, re-structuring, financial re-construction, amalgamation or other scheme of arrangement or compromise, involving the LLP.
- (4) To approve: (i) an application or resolution or other action for winding up or dissolution or insolvency of the LLP, or (ii) any matter related to winding up or dissolution or insolvency of the LLP, which under applicable law, requires the consent of at least a majority of the partners of an LLP.
- (5) To approve the acquisition, by way of subscription, purchase or otherwise, the securities of, or interest in the capital of, any other body corporate, exceeding an amount of sixty per cent. of the paid up share capital, free reserves and securities premium account of Subex Limited or one hundred per cent. of Subex Limited's free reserves and securities premium account, whichever is more.
- (6) To borrow any monies or incur any indebtedness (with or without security), from any source, exceeding aggregate of paid-up share capital and free reserves of Subex Limited, apart from temporary loans obtained from the LLP's bankers in the ordinary course of business.
- (7) To change the nature of business of the LLP.
- (8) Sale of the whole or substantially the whole of an undertaking of the LLP or where the LLP owns more than one undertaking, of whole or substantially the whole of any of such undertakings. In this regard:
  - (i) "undertaking" shall mean an undertaking in which the investment of the LLP exceeds twenty per cent. of the net worth of Subex Limited as per the audited balance sheet of Subex Limited for the preceding financial year, or an undertaking which generates more income than an amount equal to twenty per cent of the total income of Subex Limited during the previous financial year; and
  - (ii) "substantially the whole of the undertaking" in any financial year shall mean twenty per cent. or more of the value of the undertaking as per the audited balance sheet for the preceding financial year.
- (9) To make loans or lend money to, or give any guarantee to, or provide any security to, any person, exceeding sixty per cent. of the paid-up share capital, free reserves and securities premium account of Subex Limited or one hundred per cent. of Subex Limited's free reserves and securities premium account, whichever is more.

