

December 6, 2016

To  
BSE Limited  
The National Stock Exchange of India Limited

Dear Sir/Madam,

**Sub: Outcome of the Board Meeting held on December 6, 2016**

Please be informed that the agenda item summarized hereunder was discussed and approved at the Board Meeting held today at Mumbai:

- Unaudited standalone and consolidated Financial Results of the Company for the quarter and half year ended September 30, 2016.

Pursuant to Regulation 33 (3) and Regulation 47 of the SEBI (LODR) Regulations, 2015 the Company has opted to publish the consolidated financial results. The standalone financial results, however, are being made available to the Stock Exchanges and are also being posted on the Company's website.

Please find enclosed:

- The unaudited standalone and consolidated Financial Results of the Company for the quarter and half year ended September 30, 2016.
- A copy of the press release intended to be published to the media by the Company.

The meeting concluded at 2.00 p.m. We request you to take the aforesaid notification on record.

Thanking you

Yours truly,  
For Subex Limited



**Ganesh K V**  
Chief Financial Officer, Global Head-Legal & Company Secretary  
ENCL: As above.

**Limited Review Report On Quarterly Standalone Financial Results of Subex Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors of  
Subex Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Subex Limited ('the Company') for the quarter and six months ended September 30, 2016 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. Attention is drawn to the fact that the figures for the corresponding quarter and six months ended September 30, 2015, including the reconciliation of loss under Ind AS of the corresponding quarter and six months ended September 30, 2015 with profit reported under previous GAAP, as reported in these financial results have been approved by Company's Board of Directors but have not been subjected to review.

This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013, read with relevant rules thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to Note 7 to the financial results regarding trade receivables and trade payables from/to the Company's subsidiaries as at September 30, 2016 and more fully described therein. As explained to us, the management is in the process of filing necessary application with the Reserve Bank of India ['RBI'] for settlement of these balances by setting off aforesaid trade payables against trade receivables. Pending filing of application and requisite approval from the RBI, no adjustments have been made in these financial results.  
Our conclusion is not qualified in respect of this matter.

For S.R. Batliboi & Associates LLP  
ICAI Firm registration number: 101049W/E300004  
Chartered Accountants

*Rajeev Kumar*  
per Rajeev Kumar  
Partner  
Membership No.: 213803



Place: Mumbai  
Date: December 06, 2016

**Subex Limited**

Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037

**Statement of Standalone Unaudited Results for the quarter and six months ended September 30, 2016**

(₹ in Lakhs)

Particulars	Standalone				
	3 months ended September 30,	Preceding 3 months ended June 30,	Corresponding 3 months ended September 30,	Year to date figures for the six months ended September 30,	
	2016	2016	2015	2016	2015
	Unaudited	Unaudited	Notes 2 & 3	Unaudited	Notes 2 & 3
1	<b>Income from operations</b>				
Net sales/ income from operations	7,505	7,673	7,267	15,178	13,683
<b>Total income from operations (net)</b>	<b>7,505</b>	<b>7,673</b>	<b>7,267</b>	<b>15,178</b>	<b>13,683</b>
2	<b>Expenses</b>				
(a) Cost of hardware, software and support charges	28	65	53	93	56
(b) Employee benefits expense	2,133	1,989	2,059	4,122	4,026
(c) Marketing and allied service charges	2,922	3,227	2,661	6,149	5,482
(d) Other expenditure	1,697	1,564	1,777	3,261	2,946
(e) Depreciation and amortisation expense	67	65	66	132	132
(f) Exchange fluctuation (gain)/loss (net)	185	(4)	883	181	1,483
<b>Total expenses</b>	<b>7,032</b>	<b>6,906</b>	<b>7,499</b>	<b>13,938</b>	<b>14,125</b>
3	<b>Profit/(loss) from operations before other income and finance costs (1-2)</b>				
	473	767	(232)	1,240	(442)
4	Other income (refer note 5)				
	261	218	76	479	172
5	<b>Profit/(loss) from ordinary activities before finance costs (3+4)</b>				
	734	985	(156)	1,719	(270)
6	<b>Finance costs</b>				
(a) Interest on FCCBs	128	134	1,066	262	2,363
(b) Other finance costs	205	205	312	410	612
<b>Total finance costs</b>	<b>333</b>	<b>339</b>	<b>1,378</b>	<b>672</b>	<b>2,975</b>
7	<b>Profit/(loss) from ordinary activities before tax (5-6)</b>				
	401	646	(1,534)	1,047	(3,245)
8	Tax expense (net)				
	80	9	298	89	348
9	<b>Net profit/ (loss) for the period (7-8)</b>				
	321	637	(1,832)	958	(3,593)
10	Other comprehensive income, net of taxes				
	(57)	(1)	(1)	(58)	(2)
11	<b>Total comprehensive income (9+10)</b>				
	264	636	(1,833)	900	(3,595)
12	Paid up share capital [face value of ₹ 10 (March 31, 2016: ₹ 10)]				
	50,691	50,475	26,402	50,691	26,402
13	Earnings/(loss) per share (of ₹ 10/- each) (not annualised in case of the interim periods):				
(a) - Basic	0.06	0.13	(0.86)	0.19	(1.75)
(b) - Diluted	0.06	0.13	(0.86)	0.19	(1.75)



**Subex Limited**

Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037

**Statement of standalone assets and liabilities**

(₹ in Lakhs)

**As at September 30, 2016**  
(Unaudited)

Particulars	
<b>1 ASSETS</b>	
<b>A Non-current assets</b>	
Property, plant and equipment	296
Other intangible assets	57
Investments	71,771
Financial assets:	
Loans and advances	565
Others	94
Other non-current assets	2,395
	<u>75,178</u>
<b>B Current assets</b>	
Financial assets:	
Loans and advances	478
Trade receivables	48,350
Cash and cash equivalents	1,095
Other financial assets	1,694
Other current assets	1,258
	<u>52,875</u>
<b>Total assets (A+B)</b>	<u><u>128,053</u></u>
<b>2 EQUITY AND LIABILITIES</b>	
<b>C Equity</b>	
Equity share capital	50,691
Other equity	14,660
<b>Total equity</b>	<u>65,351</u>
<b>D Non-current liabilities</b>	
Provisions	270
	<u>270</u>
<b>E Current liabilities</b>	
Financial liabilities:	
Borrowings	9,900
Trade payables	45,109
Other current financial liabilities	5,611
Provisions	744
Other current liabilities	1,068
	<u>62,432</u>
<b>Total liabilities (D+E)</b>	<u>62,702</u>
<b>Total equity and liabilities (C+D+E)</b>	<u><u>128,053</u></u>

**Notes:**

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on December 06, 2016.
- The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") 34 on Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

The Company has opted to avail relaxation provided by SEBI vide the aforesaid circular dated July 5, 2016 in respect of disclosure requirements for corresponding figures of earlier periods. Accordingly, the financial results for the year ended March 31, 2016 and balance sheet as at March 31, 2016 have not been presented. The reserves (excluding revaluation reserve), as per the balance sheet of the previous accounting year not being mandatory, have not been presented.

The Results for the quarter and six months ended September 30, 2015 has not been subjected to limited review or audit. However, the management has exercised necessary diligence to ensure that the financial results for the quarter and six months ended September 30, 2015 provide a true and fair view of the Company's affairs.



3 Consequent to transition from the Previous GAAP to Ind AS, the reconciliation of profit/loss after tax is provided below for the corresponding 3 months ended September 30, 2015 and year to date figures ('YTD') for the six months ended September 30, 2015:

(₹ in Lakhs)			
Particulars	Corresponding 3 months ended September 30, 2015	YTD six months ended September 30, 2015	
<b>Net profit under previous GAAP</b>	1,298	1,695	
<b>Add/(less): Ind-AS adjustments income/(loss):</b>			
(i) Measurement of Foreign Currency Convertible Bonds ('FCCBs') at fair value			
(a) Impact on finance cost due to effective interest rate and transfer of interest no longer payable to retained earnings on conversion of FCCBs into equity shares	(1,989)	(3,761)	
(b) Impact on foreign exchange due to change in carrying value of FCCBs and related account balances and transfer of exchange gain to retained earnings on conversion of FCCBs into equity shares	(599)	(946)	
(ii) Provision for expected credit loss	(527)	(546)	
(iii) Deferral of revenue pertaining to free support services	(7)	(21)	
(iv) Others (net)	(8)	(14)	
<b>Net loss after tax as per Ind-AS</b>	<b>(1,832)</b>	<b>(3,593)</b>	

4 (a) The Board in its meeting held on May 14, 2015, approved the reset of conversion price of the FCCBs III, which are convertible into equity shares of the Company, from ₹ 22.79 to ₹ 13.00 per equity share. Subsequently, the reset of the conversion price have been approved by the shareholders in the annual general meeting held on June 19, 2015 and the bondholders in their meeting held on August 5, 2015. The Board in its meeting held on August 26, 2015, approved August 26, 2015 as the effective date of reset of conversion price of ₹ 13.00 per share.

(b) As at March 31, 2015, the Company had outstanding FCCBs III with face value of US\$ 81.53 Million, out of which FCCBs III with face value of US\$ 77.93 Million have been converted till the quarter and six months ended September 30, 2016 as detailed below:

Financial year/ period	FCCBs converted US\$ Million	Conversion rate per US\$	Conversion price	No. of equity shares
2015-16	76.98	₹ 56.0545	₹ 22.79 / ₹ 13.00	319,889,071
2016-17				
Quarter ended June 30, 2016	0.45	₹ 56.0545	₹ 13.00	1,940,348
Quarter ended September 30, 2016	0.50	₹ 56.0545	₹ 13.00	2,155,942

(c) The face value and fair value of FCCBs outstanding as at September 30, 2016 are as follows:

Particulars	Face value		Fair value	
	US\$ Million	₹ in Lakhs	US\$ Million	₹ in Lakhs
FCCBs I	1.00	666	1.31	873
FCCBs II	1.40	933	1.94	1,290
FCCBs III	3.60	2,398	3.46	2,302
<b>Total</b>	<b>6.00</b>	<b>3,997</b>	<b>6.71</b>	<b>4,465</b>

As a result of reset in conversion price of FCCBs III, the said bonds with outstanding face value of US\$ 3.60 Million as at September 30, 2016 would potentially be converted into 15,522,785 equity shares at an exchange rate of ₹ 56.0545/US\$ with a conversion price of ₹ 13.00 per equity share.

(d) The FCCB holders in their respective meetings have approved the deferral of aggregate interest of US\$ 0.73 Million (fair value of US\$ 0.71 Million), i.e. ₹ 486 Lakhs (fair value of ₹ 475 Lakhs) in respect of outstanding FCCBs III with face value of US\$ 3.60 Million for the period July 6, 2012 to January 5, 2016 till redemption date of the bonds, being July 07, 2017.

5 The Company had remitted the withholding taxes in respect of FCCBs III in accordance with the provisions of the Income Tax Act, 1961 amounting to ₹ 1,025 Lakhs upto September 30, 2016. Pursuant to the conversion of FCCBs III into equity shares of the Company, the interest accrued but not due is considered no longer payable. The management basis expert advice, is of the view that the withholding taxes paid by the Company in respect of the aforesaid interest, are recoverable from income tax department and/or are adjustable against its other withholding taxes obligations. Accordingly, the Company has revised the returns of withholding taxes and adjusted withholding taxes of ₹ 455 Lakhs during the six months ended September 30, 2016 (quarter ended June 30, 2016 : ₹ 205 Lakhs) on salary, professional services and others, by write back of withholding taxes on interest on FCCBs paid earlier, and such write back is included under other income.

6 During the year ended March 31, 2016, the Company assessed the carrying value of its investment in its wholly owned subsidiary viz., Subex Americas Inc., of ₹ 12,496 Lakhs. Based on future operational plan, projected cash flows and valuation carried out by an external valuer, the Company made a provision of ₹ 5,490 Lakhs towards diminution, other than temporary, in the carrying value of its investment in the said subsidiary. There is no change in the management's assessment as regards aforementioned carrying value of its investment as at September 30, 2016 and in view of the management, no further provision for diminution, other than temporary, is considered necessary as at September 30, 2016.

7 As at September 30, 2016, the Company has trade receivables of ₹ 41,905 Lakhs (net of provision for doubtful debts of ₹ 11,351 Lakhs) from its subsidiaries and trade payables of ₹ 44,153 Lakhs to its subsidiaries. Management is in the process of filing necessary application with the Reserve Bank of India ('RBI') for settlement of these balances by setting off aforesaid trade payables against trade receivables. Pending filing of application with RBI and requisite approval from RBI, no adjustments have been made in these financial results. This is an 'Emphasis of Matter' in the Limited Review Report of the Statutory Auditors on the Unaudited Standalone Results.



- 8 During the year ended March 31, 2016, the Company assessed the carrying value of its investment in its wholly owned subsidiary viz., Subex (UK) Limited. of ₹ 64,739 Lakhs. Considering the future operational plan, projected cash flows and the valuation carried out by an external valuer, the management was of the view that, the carrying value of its aforesaid investment in Subex (UK) Limited as at March 31, 2016 was appropriate. There is no change in the management's assessment as regards aforementioned carrying value of investment as at September 30, 2016.
- 9 The Company is engaged in the business of software products and related services. These, in the context of Ind-AS 108 on Operating Segments Reporting are considered to constitute one segment and hence the Company has not made any additional segment disclosures.
- 10 Previous period figures have been regrouped/ reclassified, wherever necessary to confirm to current period's classification.

Mumbai

Date: December 06, 2016



Surjeet Singh  
Managing Director & CEO

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

**Limited Review Report On Quarterly Consolidated Financial Results of Subex Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

To  
**The Board of Directors**  
**Subex Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Subex Group comprising Subex Limited ('the Company') and its subsidiaries (together, 'the Group'), for the quarter and six months ended September 30, 2016 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. Attention is drawn to the fact that the figures for the corresponding quarter and six months ended September 30, 2015, including the reconciliation of loss under Ind AS of the corresponding quarter and six months ended September 30, 2015 with profit reported under previous GAAP, as reported in these financial results have been approved by Company's Board of Directors but have not been subjected to review.

This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated financial results, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013, read with relevant rules thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For S.R. Batliboi & Associates LLP**  
ICAI Firm registration number: 101049W/E300004  
Chartered Accountants

*Rajeev Kumar*

per Rajeev Kumar  
Partner  
Membership No.: 213803



Place: Mumbai  
Date: December 06, 2016

**Subex Limited**

Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037

**Statement of Consolidated Unaudited Results for the quarter and six months ended September 30, 2016**

(₹ in Lakhs)

Particulars	Consolidated				
	3 months ended September 30,	Preceding 3 months ended June 30,	Corresponding 3 months ended September 30,	Year to date figures for the six months ended September 30,	
	2016	2016	2015	2016	2015
	Unaudited	Unaudited	Notes 3 & 4	Unaudited	Notes 3 & 4
1	Income from operations				
	Net sales/ income from operations	8,336	8,334	7,928	16,670
	<b>Total income from operations (net)</b>	<b>8,336</b>	<b>8,334</b>	<b>7,928</b>	<b>16,670</b>
2	Expenses				
(a)	Cost of hardware, software and support charges (refer note 10)	44	252	77	296
(b)	Employee benefits expense (refer note 11)	4,175	4,067	3,895	8,242
(c)	Other expenditure	2,689	2,466	2,293	5,155
(d)	Depreciation and amortisation expense	117	112	105	229
(e)	Exchange fluctuation (gain)/loss (net)	(211)	(818)	372	(1,029)
	<b>Total expenses</b>	<b>6,814</b>	<b>6,079</b>	<b>6,742</b>	<b>12,893</b>
3	<b>Profit from operations before other income and finance costs (1-2)</b>	<b>1,522</b>	<b>2,255</b>	<b>1,186</b>	<b>3,777</b>
4	Other income (refer note 7)	268	229	31	497
5	<b>Profit from ordinary activities before finance costs (3+4)</b>	<b>1,790</b>	<b>2,484</b>	<b>1,217</b>	<b>4,274</b>
6	Finance costs				
(a)	Interest on FCCBs	128	134	1,066	262
(b)	Interest on term loan	167	201	244	368
(c)	Other finance costs	223	223	332	446
	<b>Total finance costs</b>	<b>518</b>	<b>558</b>	<b>1,642</b>	<b>1,076</b>
7	<b>Profit/(loss) from ordinary activities before tax (5-6)</b>	<b>1,272</b>	<b>1,926</b>	<b>(425)</b>	<b>3,198</b>
8	Tax expense (net)	298	108	637	406
9	<b>Net profit/ (loss) for the period (7-8)</b>	<b>974</b>	<b>1,818</b>	<b>(1,062)</b>	<b>2,792</b>
10	Other comprehensive income, net of taxes	(244)	(846)	(869)	(1,090)
11	<b>Total comprehensive income (9+10)</b>	<b>730</b>	<b>972</b>	<b>(1,931)</b>	<b>1,702</b>
12	Paid up share capital [face value of ₹ 10 (March 31, 2016: ₹ 10)]	50,691	50,475	26,402	50,691
13	Earnings/(loss) per share (of ₹ 10/- each) (not annualised in case of the interim periods):				
(a)	- Basic	0.19	0.36	(0.50)	0.55
(b)	- Diluted	0.19	0.36	(0.50)	0.55





**Subex Limited**

Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 037

**Statement of consolidated assets and liabilities**

(₹ in Lakhs)

Particulars		As at September 30, 2016 (Unaudited)
<b>I</b>	<b>ASSETS</b>	
<b>A</b>	<b>Non-current assets</b>	
	Property, plant and equipment	565
	Goodwill	76,772
	Other intangible assets	64
	Financial assets:	
	Loans and advances	616
	Others	177
	Other non-current assets	2,499
		<b>80,693</b>
<b>B</b>	<b>Current assets</b>	
	Financial assets:	
	Loans and advances	522
	Trade receivables	10,266
	Cash and cash equivalents	9,481
	Other financial assets	3,759
	Other current assets	1,803
		<b>25,831</b>
	<b>Total assets (A+B)</b>	<b>106,524</b>
<b>2</b>	<b>EQUITY AND LIABILITIES</b>	
<b>C</b>	<b>Equity</b>	
	Equity share capital	50,691
	Other equity	25,120
	<b>Total equity</b>	<b>75,811</b>
<b>D</b>	<b>Non-current liabilities</b>	
	Provisions	312
		<b>312</b>
<b>E</b>	<b>Current liabilities</b>	
	Financial liabilities:	
	Borrowings	9,900
	Trade payables	1,750
	Other current financial liabilities	14,571
	Provisions	1,583
	Other current liabilities	2,597
		<b>30,401</b>
	<b>Total liabilities (D+E)</b>	<b>30,713</b>
	<b>Total equity and liabilities (C+D+E)</b>	<b>106,524</b>

**Notes:**

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on December 06, 2016.
- The financial results of Subex Limited (Standalone Information):

Particulars	(₹ in Lakhs)				
	3 months ended September 30,	Preceding 3 months ended June 30,	Corresponding 3 months ended September 30,	Year to date figures for the six months ended September 30,	
	2016	2016	2015	2016	2015
	Unaudited	Unaudited	Notes 3 & 4	Unaudited	Notes 3 & 4
Net sales/ income from operations	7,505	7,673	7,267	15,178	13,683
Profit/(loss) from ordinary activities before tax	401	646	(1,534)	1,047	(3,245)
Profit/(loss) from ordinary activities after tax	321	637	(1,832)	958	(3,593)

- The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") 34 on Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

The Company has opted to avail relaxation provided by SEBI vide the aforesaid circular dated July 5, 2016 in respect of disclosure requirements for corresponding figures of earlier periods. Accordingly, the financial results for the year ended March 31, 2016 and balance sheet as at March 31, 2016 have not been presented. The reserves (excluding revaluation reserve), as per the balance sheet of the previous accounting year not being mandatory, have not been presented.

The Results for the quarter and six months ended September 30, 2015 has not been subjected to limited review or audit. However, the management has exercised necessary diligence to ensure that the financial results for the quarter and six months ended September 30, 2015 provide a true and fair view of the Company's affairs.



4 Consequent to transition from the Previous GAAP to Ind AS, the reconciliation of profit/loss after tax is provided below for the corresponding 3 months ended September 30, 2015 and year to date figures ("YTD") for the six months ended September 30, 2015:

(₹ in Lakhs)			
Particulars	Corresponding 3 months ended September 30, 2015	YTD six months ended September 30, 2015	
Net profit under previous GAAP	1,560	1,085	
<b>Add/(less): Ind-AS adjustments income/(loss):</b>			
(i) Measurement of Foreign Currency Convertible Bonds ('FCCBs') at fair value			
(a) Impact on finance cost due to effective interest rate and transfer of interest no longer payable to retained earnings on conversion of FCCBs into equity shares	(1,989)	(3,761)	
(b) Impact on foreign exchange due to change in carrying value of FCCBs and related account balances and transfer of exchange gain to retained earnings on conversion of FCCBs into equity shares	(599)	(946)	
(ii) Deferral of revenue pertaining to free support services	(26)	(40)	
(iii) Others (net)	(8)	(8)	
<b>Net loss after tax as per Ind-AS</b>	<b>(1,062)</b>	<b>(3,670)</b>	

5 (a) The Board in its meeting held on May 14, 2015, approved the reset of conversion price of the FCCBs III, which are convertible into equity shares of the Company, from ₹ 22.79 to ₹ 13.00 per equity share. Subsequently, the reset of the conversion price have been approved by the shareholders in the annual general meeting held on June 19, 2015 and the bondholders in their meeting held on August 5, 2015. The Board in its meeting held on August 26, 2015, approved August 26, 2015 as the effective date of reset of conversion price of ₹ 13.00 per share.

(b) As at March 31, 2015, the Company had outstanding FCCBs III with face value of US\$ 81.53 Million, out of which FCCBs III with face value of US\$ 77.93 Million have been converted till the quarter and six months ended September 30, 2016 as detailed below:

Financial year/ period	FCCBs converted US\$ Million	Conversion rate per US\$	Conversion price	No. of equity shares
2015-16	76.98	₹ 56.0545	₹ 22.79/₹ 13.00	319,889,071
2016-17				
Quarter ended June 30, 2016	0.45	₹ 56.0545	₹ 13.00	1,940,348
Quarter ended September 30, 2016	0.50	₹ 56.0545	₹ 13.00	2,155,942

(c) The face value and fair value of FCCBs outstanding as at September 30, 2016 are as follows:

Particulars	Face value		Fair value	
	US\$ Million	₹ in Lakhs	US\$ Million	₹ in Lakhs
FCCBs I	1.00	666	1.31	873
FCCBs II	1.40	933	1.94	1,290
FCCBs III	3.60	2,398	3.46	2,302
Total	6.00	3,997	6.71	4,465

As a result of reset in conversion price of FCCBs III, the said bonds with outstanding face value of US\$ 3.60 Million as at September 30, 2016 would potentially be converted into 15,522,785 equity shares at an exchange rate of ₹ 56.0545/US\$ with a conversion price of ₹ 13.00 per equity share.

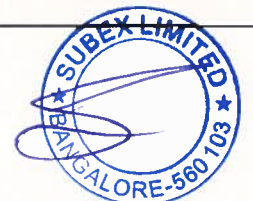
(d) The FCCB holders in their respective meetings have approved the deferral of aggregate interest of US\$ 0.73 Million (fair value of US\$ 0.71 Million), i.e. ₹ 486 Lakhs (fair value of ₹ 475 Lakhs) in respect of outstanding FCCBs III with face value of US\$ 3.60 Million for the period July 6, 2012 to January 5, 2016 till redemption date of the bonds, being July 07, 2017.

6 During the year ended March 31, 2016, pursuant to the Interest Waiver Letter dated March 26, 2016, the lenders of term loan of US\$ 12 Million to Subex Americas Inc. had waived the interest liability upto the date of such letter and interest accruing thereafter upto August 22, 2016. Further, interest rate has been revised from 10.5% per annum to 5% per annum, effective August 22, 2016. Subsequently, the interest waiver has been further extended till March 31, 2017, the effective date for the applicability of revised interest rate of 5% per annum has been extended to April 01, 2017 and the repayment date for US\$ 6.5 Million loan out of US\$ 12 Million has been extended from August 22, 2016 to March 31, 2017, and remaining balance of US\$ 3.5 Million and US\$ 2 Million is due for repayment on March 31, 2017 and June 30, 2017 respectively.

7 The Company had remitted the withholding taxes in respect of FCCBs III in accordance with the provisions of the Income Tax Act, 1961 amounting to ₹ 1,025 Lakhs upto September 30, 2016. Pursuant to the conversion of FCCBs III into equity shares of the Company, the interest accrued but not due is considered no longer payable. The management basis expert advice, is of the view that the withholding taxes paid by the Company in respect of the aforesaid interest, are recoverable from income tax department and/or are adjustable against its other withholding taxes obligations. Accordingly, the Company has revised the returns of withholding taxes and adjusted withholding taxes of ₹ 455 Lakhs during the six months ended September 30, 2016 (quarter ended June 30, 2016 : ₹ 205 Lakhs) on salary, professional services and others, by write back of withholding taxes on interest on FCCBs paid earlier, and such write back is included under other income.

8 During the year ended March 31, 2016, the Company assessed the carrying value of goodwill relating to its investment in the subsidiary viz. Subex Americas Inc., amounting to ₹ 18,606 Lakhs. Based on future operational plan, projected cash flows and valuation carried out by an external valuer, the Company made an impairment provision of ₹ 8,870 Lakhs during the year ended March 31, 2016 towards the carrying value of goodwill relating to its investment in the said subsidiary. There is no change in the management's assessment as regards aforementioned carrying value of goodwill as at September 30, 2016 and in view of the management, no further provision for diminution is considered necessary as at September 30, 2016.

9 During the year ended March 31, 2016, the Company assessed the carrying value of goodwill relating to its investment in the subsidiary viz. Subex (UK) Limited, amounting to ₹ 67,036 Lakhs. Based on the future operational plan, projected cash flows and the valuation carried out by an external valuer, the management was of the view that, the aforesaid carrying value of goodwill as at March 31, 2016 relating to its investment in the said subsidiary was appropriate. There is no change in the management's assessment as regards aforementioned carrying value of goodwill as at September 30, 2016.



- 10 Cost of hardware, software and support charges for the quarters ended September 30, 2016, June 30, 2016 and September 30, 2015 is net of reversal of provision no longer required, amounting to ₹ Nil, ₹ Nil and ₹ Nil, respectively and that for the six months ended September 30, 2016 and September 30, 2015 amounting to ₹ Nil and ₹ 173 Lakhs, respectively.
- 11 Employee benefits expenses and sub-contract charges for the quarters ended September 30, 2016, June 30, 2016 and September 30, 2015 is net of reversal of provision no longer required, in respect of employee incentives, amounting to ₹ Nil, ₹ Nil and ₹ 384 Lakhs, respectively and that for the six months ended September 30, 2016 and September 30, 2015 amounting to ₹ Nil and ₹ 453 Lakhs, respectively.
- 12 Pursuant to the approval of the Board of Directors, the Group has discontinued the operations of two of its subsidiaries with effect from April 01, 2013. The details of unaudited results of the discontinued businesses consolidated in the above results are as follows:

(₹ in Lakhs)

Particulars	3 months ended September 30,	Preceding 3 months ended June 30,	Corresponding 3 months ended September 30,	Year to date figures for the six months ended September 30,	
	2016	2016	2015	2016	2015
	Unaudited	Unaudited	Notes 3 & 4	Unaudited	Notes 3 & 4
Total income	-	-	-	-	-
(Loss)/ Profit before tax	(2)	(1)	(1)	(3)	(2)
Profit/(Loss) after tax	(1)	54	2	53	1

- 13 The Company is engaged in the business of software products and related services. These, in the context of Ind-AS 108 on Operating Segments Reporting are considered to constitute one segment and hence the Company has not made any additional segment disclosures.
- 14 Previous period figures have been regrouped/ reclassified, wherever necessary to confirm to current period's classification.
- 15 Pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has opted to publish the consolidated financial results. The standalone financial results, however, are being made available to the Stock Exchanges where the securities of the Company are listed and are also being posted on the Company's website [www.subex.com](http://www.subex.com).

Mumbai  
Date: December 06, 2016



Surjeet Singh  
Managing Director & CEO

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

**For Immediate Release**

**December 06, 2016**

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**Subex announces FY17 Q2 Results with Revenue of INR 8,336 lacs, EBIDTA of INR 1,428 lacs and PAT of INR 974 lacs**

**MUMBAI, INDIA** – Subex Ltd, a leading global provider of Business and Operations Support Systems (B/OSS) for Communications Service Providers, today announced its financial results for the second quarter ended September 30, 2016.

**Financial highlights for the quarter ended September 30, 2016:**

- **Revenue for the quarter at Rs. 8,336 lacs (US\$ 12.4 million)**
  - Up by 5.1% YoY from Rs. 7,928 lacs (US\$ 12.3 million) in FY16 Q2
  - License & Implementation at 30%, Managed Services at 36% & Support at 34% of the total revenues
- **EBIDTA ex forex for the quarter at Rs. 1,428 lacs (US\$ 2.1 million)**
  - Down by 14.1% YoY from Rs. 1,663 lacs (US\$ 2.6 million) in FY16 Q2
- **Operating Profit ex-forex for the quarter at Rs. 1,331 lacs (US\$ 2.0 million)**
  - Down by 15.8 % YoY from Rs. 1,558 lacs (US\$ 2.4 million) in FY16 Q2
- **Profit after Tax (PAT) for the quarter at Rs. 974 lacs (US\$ 1.5 million)**
  - Up by 191.7% YoY from loss of Rs. (1,062) lacs (US\$ -1.6 million) in FY16 Q2

- Ends -



### About Subex Limited

Subex Limited is a leading global provider of Business and Operations Support Systems (B/OSS) that empowers communications service providers (CSPs) to achieve competitive advantage through Business Optimisation - thereby enabling them to improve their operational efficiency to deliver enhanced service experiences to subscribers.

The company pioneered the concept of a Revenue Operations Centre (ROC®) – a centralized approach that sustains profitable growth and financial health through coordinated operational control. Subex's product portfolio powers the ROC and its best-in-class solutions such as revenue assurance, fraud management, asset assurance, capacity management, data integrity management, credit risk management, cost management, route optimisation and partner settlement. Subex also offers a scalable Managed Services program with 30 + customers.

Subex has been awarded the Global Market Share Leader in Financial Assurance 2012 by Frost & Sullivan and has been the winner of Carriers World Awards 2015 for Best Security/Fraud solution, Telecoms Award 2015 for Advances in B/OSS, Pipeline Innovation Award 2013 in Business Intelligence & Analytics; Capacity Magazine Best Product/ Service 2013. Subex has continued to innovate with customers and have been jointly awarded the Global Telecoms Business Innovation Award in 2016 with BTC Botswana; in 2015 with Mobily; in 2014 with Telstra Global; in 2012 with Idea Cellular for Managed Services and in 2011 with Swisscom for Fraud Management.

Subex's customers include 39 of top 50 telecom operators\* and 7 of the world's 10 largest# telecom companies worldwide. The company has more than 300 installations across 70 countries.

\*Telecom Operators 500, 2015

#The World's Largest Telecom Companies 2015 - Forbes

For more information please visit [www.subex.com](http://www.subex.com)

