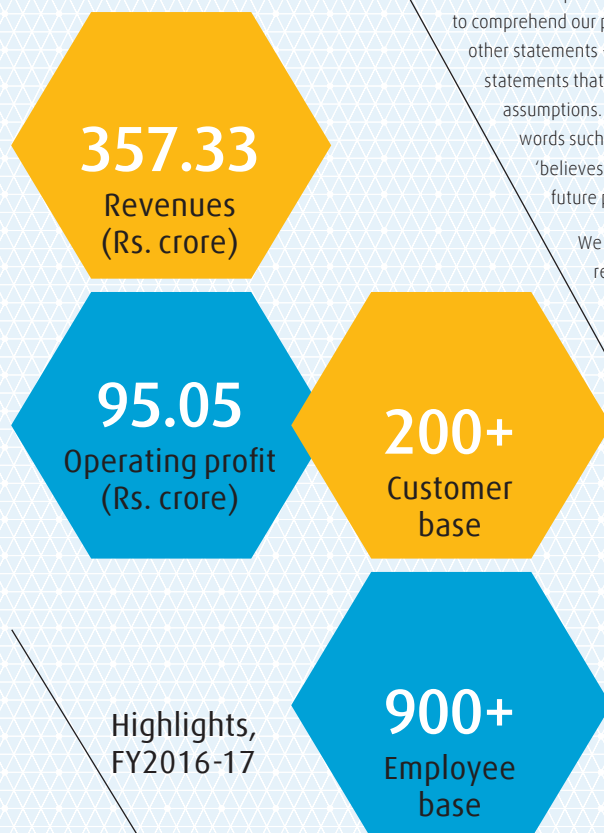


Ring in the new. Win in the digital world.





Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Ring in the new. Win in the digital world.

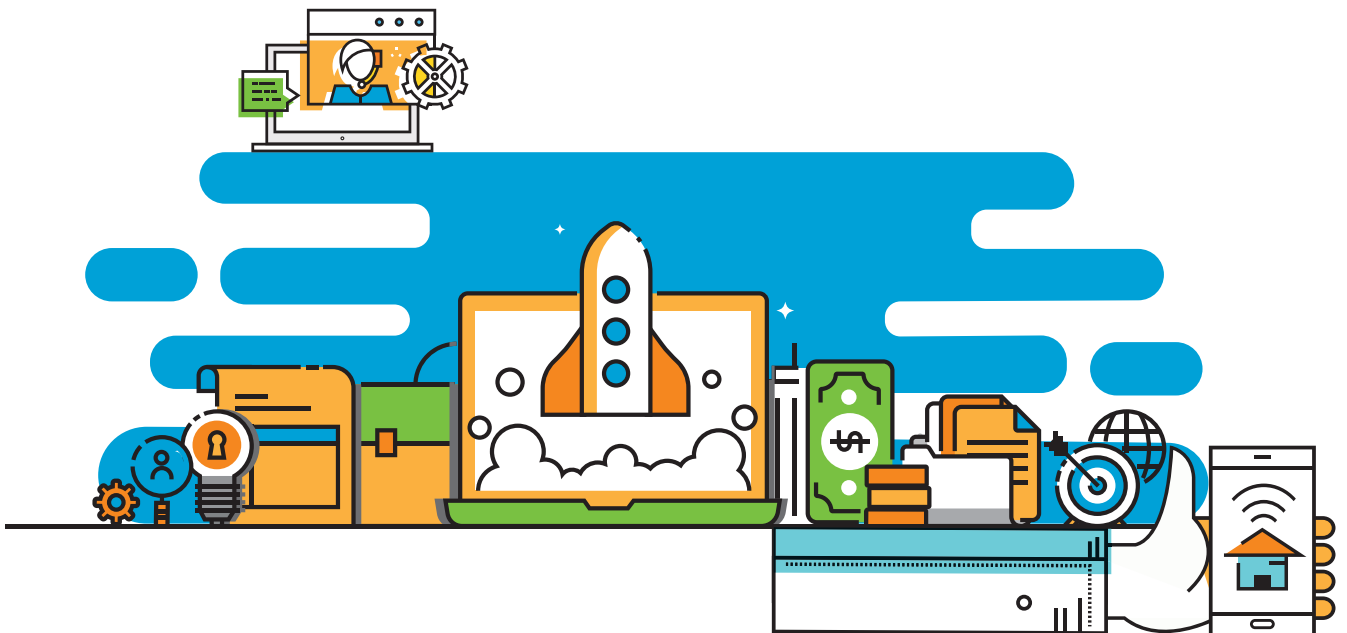
The time has come for Subex to graduate from one level to another.

The time to transform from a telecom business optimisation provider to a telecom analytics solution provider.

The time to graduate from providing limited solutions to global communication service providers to embracing digital transformation.

In helping customers transform their business models, Subex is transforming its own.

Emerging better, stronger and larger. This is Subex 3.0.



Subex is a specialised telecom solutions provider.

Enjoying focused and specialised domain knowledge.

Providing revenue assurance, fraud management, partner settlement, asset assurance, analytics and IoT security.

Empowering telcos to embark on informed strategy.

Helping customers reduce subscriber churn and enhance user experience.

Enhancing competitiveness and taking the customer's business ahead.

Awards and accolades

- Subex and Telefonica Chile won the BSS & OSS Award for the 'Best Fraud Prevention Project' in the 'Best Revenue Assurance /Fraud Solution' category
- Subex and BTC Botswana awarded the prestigious Global Telecoms Business Innovation Awards 2016 in the 'Business Service Innovation' category
- Subex was awarded the Pipeline Innovation Award 2016 in the 'Security & Assurance' category

Background

- Offering cutting-edge solutions for global telecom companies for 25 years
- Driven by a team of experienced professionals, led by Mr. Surjeet Singh (Managing Director and CEO)
- Leading global telecom analytics solution provider
- Pioneered the concept of capex optimisation



Location

- Headquartered in Bengaluru, India
- Global delivery centres in India, the US and the UK
- Subsidiaries in the US, the UK, the UAE, Singapore and India



Listing

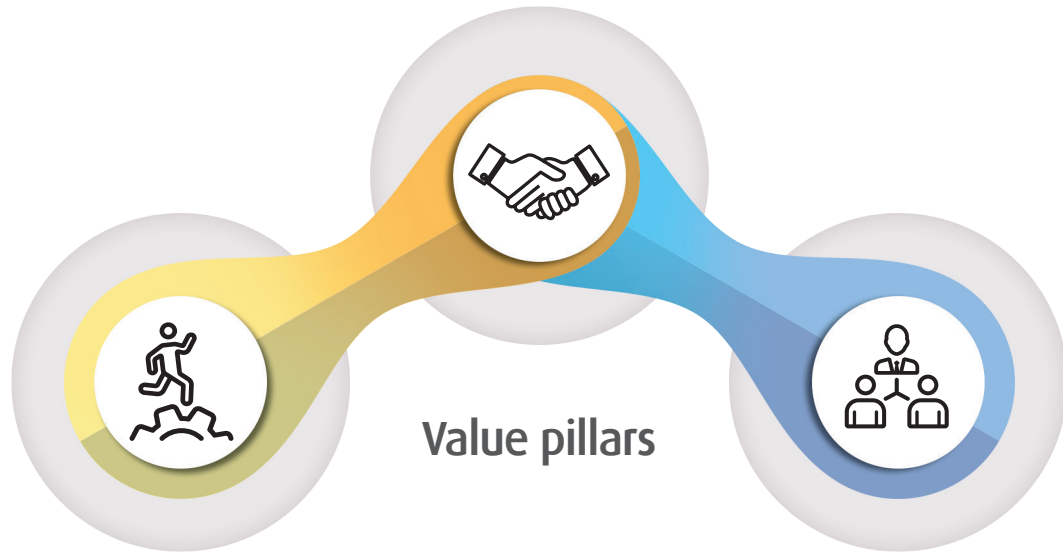
- Equity shares listed on Bombay Stock Exchange and National Stock Exchange. Company's securities listed on the London Stock Exchange and Singapore Stock Exchange



Clientele

- More than 200 clients across more than 90 countries, including 39 of the world's top 50 telecom operators





Value pillars

Drive new business models:
Pivot offerings around revenue, open new revenue streams in emerging business areas and allied services, leverage the partner ecosystem

Enhance customer experience:
Retain existing customers and acquire new customers using analytics, leverage business insights to better understand customer behaviour for deeper engagement

Optimise enterprise:
Enable operational excellence by focusing on maximising revenue and mitigating business risks, ensuring y-o-y cost savings that provide resources for investments

Quality statement

Subexians are committed to achieve total customer satisfaction by delivering high-quality products that meet the needs and expectations of our customers. We are committed to adhere to quality management system requirements and continually improve them.

Customer base

200+

As on 31st March
2017

Employee base

900+

As on 31st March
2017

Installations

300+

As on 31st March
2017

Presence

90+
countries

As on 31st March
2017

Presence

25+
years

As on 31st March
2017

To the stakeholders

We are standing at an important juncture in the history of Subex.

Over the last four years, a considerable focus was invested in transforming our Company from a debt-heavy organisation to a deleveraged Balance Sheet. From a point in FY13 where we had around US\$100 million in debt, we progressively equitised our foreign currency convertible debt and overseas foreign

currency debt. The result is that we stand with a debt of only US\$ 28.76 million and a considerably lighter Balance Sheet. Subsequent to 31st March 2017, the Company has repaid US\$ 12 million loan thereby, reducing the outstanding debt to US\$ 16.76 million.

This transformed Balance Sheet empowered Subex to improve its operating performance. During FY17, Subex reported a 10.81% improvement in revenues



Message from the MD & CEO

"Subex is uniquely positioned as a long-term business partner in the telecom analytics space at a time when telecom players are embarking on their digital transformation journeys."

and a 46.39% growth in EBITDA. The Company repaid ₹21.1 crore of working capital debt in 2015-16 and ₹18.05 crore in 2016-17, which strengthened our net debt-equity ratio from 0.45 in 2015-16 and to 0.36 in 2016-17, translating into a rating upgrade by India Ratings IND BBB+ from IND BBB.

Sectoral changes

The year under review was marked by exciting realities across the global telecom landscape. We have seen large global telcos acquiring media companies to launch new digital services to own digital content and win the mindshare of millennial consumers who expect a compelling experience across all walks of life. In an emerging economy like India, we saw the emergence of a digital service provider who has disrupted the telecom world by transforming data into a commodity service.

Subex has responded to this reality through a digital

leap. As telcos embark on a new digital transformation journey, creating unlimited opportunities, I foresee Subex playing a critical trust-based role in helping these companies graduate to stronger business models, enhanced customer experience and optimised costs.

I believe that the coming together of these macroeconomic factors and our responsiveness will pave the way for a new chapter in our existence called 'Subex 3.0'.

The Subex 3.0 groundwork

Embracing changes proactively

Globally, the telecom industry is undergoing a dramatic transformation. Revenue models of global telecom companies are graduating beyond traditional avenues like voice and data. Subscriber bases have begun to stagnate following the commoditisation of voice

and data services and cannibalisation by over-the-top players offering similar services. Hence, communication service providers are launching new digital services like cloud and hosting, M2M and IoT, security, IP communication and collaboration, data and analytics, enterprise mobility, finance and payments, among others, with the objective to enhance customer experience, improve loyalty and strengthen revenues.

There is a growing consensus that digital is indeed the future. Digital transformation is enriching the customer experience and increasing efficiency. The advent of digitisation has transformed the way telcos work, attracting engagements with digital content providers, insurance players, app developers and media companies. By 2020, digital services could account for more than 10% of the overall revenues of

global telecom players.

I believe that with great opportunity comes large challenges. The emergence of new business models has widened and deepened risks. For instance, Yahoo's market share declined following the leak of a confidential user base information arising out of hacking. The result of this new and challenging ecosystem is a growing premium on 'end-to-end partner management' as opposed to the conventional 'partner settlement' platform.

Subex is attractively placed to capitalise on this reality. Subex enjoys an established presence in the assurance space; the Company's proven ability to counter security risks are expected to enhance visibility and acceptability in the new sectoral environment.

As telcos struggle with emerging business and technology challenges, they seek engagements with service providers

There is a growing consensus that digital is indeed the future. Digital transformation is strengthening the customer experience and increasing efficiency. The advent of digitisation has transformed the way telcos work, attracting engagements with digital content providers, insurance players, app developers and media companies.

enjoying access to a large data quantum and a corresponding analytics insight. Subex is best positioned to leverage this opportunity. Over the years, the Company has aggregated a large volume of data from diverse installations, which is mined to create new revenue streams, generate critical insights and graduate the end-user experience. This competence in the cutting-edge area of predictive analytics positions Subex as a long-term telecom analytics business partner.

Offering distinctive services

There is increasing evidence to suggest that telcos find the exercise of generating data and extracting usable information difficult on account of domain-related challenges and discrete databases, among other reasons.

Subex is competently placed to address this reality. The Company possesses a large data wealth following years of engagement with large global telecom companies. The result is a competent use of state-

of-the-art analytics to generate business insights around Revenue, Product, Customers and Risk.

With digital transformation, more devices are being connected with, Gartner predicting that 8.4 billion 'connected things' will be in use in 2017, up by 31% from 2016. In such a scenario, increasing focus on IoT security. Subex's IoT security solution monitors and generates alerts to threats in near real-time Internet of Things (IoT) environments. The solution focuses on the concept of holistic 'cyber resilience' from asset and incident discovery and monitoring through response and recovery.

Creating a well-governed organisation

Subex is among the few Indian listed companies in its niche that is professionally-managed around a robust business model. We created an operational leadership team structure capable of managing business operations while fostering a sense of entrepreneurship. Our simplified

organisational structure empowers our people with enhanced accountability and motivates them to innovate. The Company has integrated diverse functions and I am pleased to state that, this has resulted in enhanced organisational efficiency and helped deliver a superior customer experience.

Roadmap for the future

Subex is optimistic of entering a larger number of enduring customer engagements translating into larger ticket contracts. The Subex management is confident that this represents the start of an exciting phase in its journey, which we call Subex 3.0.

In this exciting Subex 3.0 journey, we will transition to becoming a telecom analytics solution provider from a business optimisation provider, which will help telcos embrace digital transformation. In line with this strategy, we unveiled a new logo, which represents our vibrancy, energy and commitment to enhance value for our customers in the digital era.

Our proprietary gold mine of data, coupled with our domain knowledge and technological capabilities puts us in the best position to draw meaningful insights for our telco customers to help them drive new business models, enhance customer experience and optimise their enterprises.

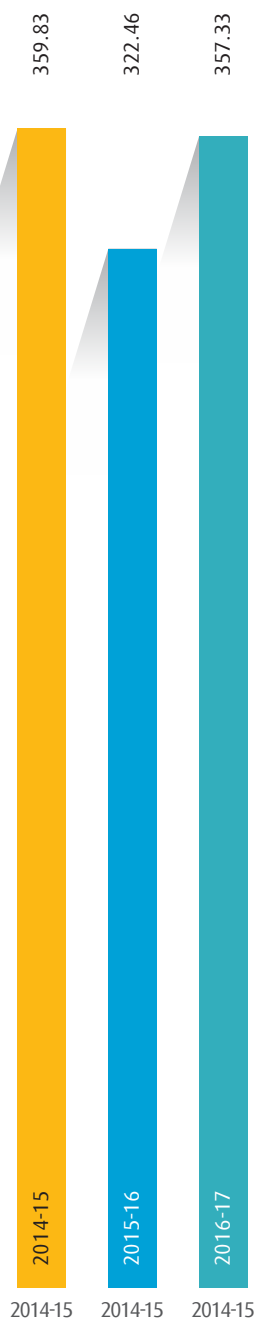
This is an exciting phase in Subex's long and storied 25-year journey and I look forward to what the future holds for the Company and Subexians.

Regards,

Surjeet Singh
*Chief Executive Officer and
Managing Director*

Our performance in numbers

Revenues (₹ crore)



2014-15 2014-15 2014-15



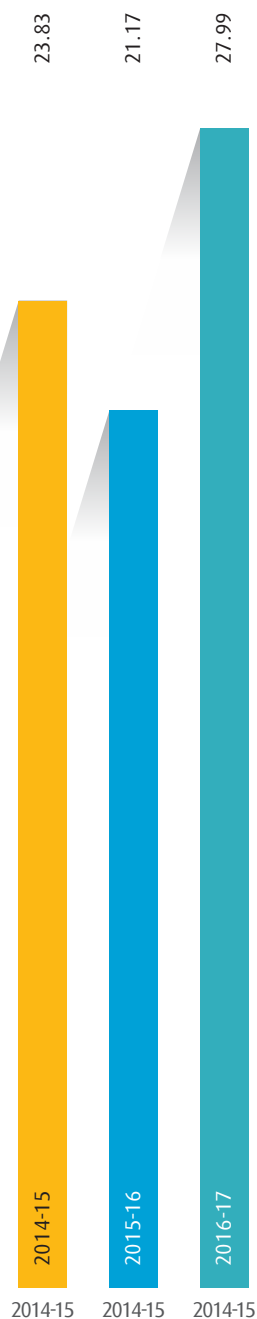
EBIDTA (₹ crore)



2014-15 2014-15 2014-15



EBIDTA (%)



2014-15 2014-15 2014-15



FY2016-17 proved to be a watershed for the global telecom industry with digitisation emerging as a disruptive force.

This might suggest that the going was easy for us during the year under review, but that would be far from the truth. At a time when our key customers were challenged by large and frequent security breaches, we repositioned our business around

the pillars of 'drive new business model, enhance customer experience and optimise experience' resulting in the launch of Subex 3.0.

As revenues from legacy businesses weakened following the rise of digital service providers and OTT players, telcos became increasingly selective in making fresh business investments. They recognised the growing need to carve out new revenue streams, a superior customer experience and

optimised operations.

To achieve these daunting business objectives, an increasing number of telecom companies turned to specialised service providers like Subex.

At Subex, we needed to understand emerging business priorities and objectives of CSPs to provide retrofitted solutions leading to sustainable revenue streams. We adopted a consultative approach; we evolved from being a product vendor to solutions provider; we



Vinod Kumar

*Wholetime Director and
Chief Operating Officer*



Ashwin Chalapathy

*Wholetime Director,
Chief Technology Officer and
Head of Service Delivery*



**Management
commentary**