SUBEX LIMITED

Registered office: Pritech Park - SEZ, Block-09, 4th Floor, B Wing, Survey No. 51-64/4, Outer ring road, Bellandur Village,Varthur Hobli, Bangalore -560 103

Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2021

(₹ in Lakhs)

	Particulars	Quarter ended			Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		Unaudited	Audited (Refer note 14)	Unaudited	Audited
	Income				
1	Revenue from operations [Refer note 13 (b)]	1,569	1,691	575	2,916
2	Share of profit from Limited Liability Partnerships (Refer note 3)	129	880	754	2,585
3	Other income	2	2	3	9
4	**Total income (1+2+3)**	**1,700**	**2,573**	**1,332**	**5,510**
	Expenses				
	Employee benefits expense [Refer note 13 (a)]	1,096	887	155	1,361
	Finance costs	2	1	6	14
	Depreciation and amortization expense	41	42	49	193
	Other expenses [Refer note 13 (b)]	292	457	222	1,060
5	**Total expenses**	**1,431**	**1,387**	**432**	**2,628**
6	**Profit before exceptional items and tax (4-5)**	**269**	**1,186**	**900**	**2,882**
	Exceptional items				
	Gain on termination of lease agreement (Refer note 5)	-	-	-	36
	Provision for service tax receivable (Refer note 6)	-	-	-	(267)
7	**Total exceptional items**	**-**	**-**	**-**	**(231)**
8	**Net profit before tax (6+7)**	**269**	**1,186**	**900**	**2,651**
9	**Tax expense, net**				
	Current tax charge	23	29	-	35
	Deferred tax (MAT credit entitlement)	(23)	-	-	-
	Reversal - foreign withholding taxes (Refer note 7)	-	-	-	(6)
	Total tax expense	**-**	**29**	**-**	**29**
10	**Net profit for the period/ year (8-9)**	**269**	**1,157**	**900**	**2,622**
11	**Other comprehensive income/ (loss), net of tax**				
	Items that will not be reclassified subsequently to profit or loss				
	Re-measurement gain/(loss) on defined benefits plan	-	5	(1)	-
12	**Total comprehensive income/ (loss) for the period/ year (10+11)**	**269**	**1,162**	**899**	**2,622**
13	Paid up equity share capital (Refer note 8) [face value of ₹ 5 each w.e.f September 29, 2020 and ₹ 10 upto September 28, 2020]	28,100	28,100	56,200	28,100
14	Other equity	-	-	-	22,066
15	Earning per share (of ₹ 5/- each w.e.f September 29, 2020 and ₹ 10 upto September 28, 2020) (not annualised in case of the interim periods) (Refer note 8):				
	- Basic	0.05	0.21	0.17	0.49
	- Diluted	0.05	0.21	0.17	0.48

Notes:

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on August 9, 2021.

2 The financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (“Ind AS”) 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, as amended.

3 Share of profit/ (loss) from Limited Liability Partnerships are as follows:

(₹ in Lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	Unaudited	Audited (Refer note 14)	Unaudited	Audited
Share of profit from Subex Assurance LLP	799	1,194	1,296	4,628
Share of loss from Subex Digital LLP	(670)	(314)	(542)	(2,043)
Total	**129**	**880**	**754**	**2,585**

The Company has presented share of profit and share of loss from Limited Liability Partnerships (‘LLP’) on net basis as the management considers the net income/expense to be its return on investment in LLP.

4 As at March 31, 2021, the Company assessed and concluded the carrying value of it's investments in its subsidiaries to be appropriate. There is no change in the management's assessment as regards the aforementioned carrying value of it's investments in its subsidiaries as at June 30, 2021.

5 Represents gain arising on termination of the lease agreement of existing office premises in India, accounted in accordance with Ind AS 116 – Leases.

6 During the previous year ended March 31, 2021, service tax receivable of ₹ 267 lakhs had been provided considering the uncertainty with regards to its realisation.

7 Represents reversal of provision in respect of foreign withholding taxes deducted/ deductible by the overseas customers of the Company, no longer required.

8 The Board of Directors in its meeting held on February 07, 2020, approved a scheme of Capital Reduction in accordance with Section 52 of the Companies Act, 2013 and Section 66 of the Companies Act, 2013 read with National Company Law Tribunal (‘NCLT’) (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013. The Hon’ble NCLT approved the said Scheme vide its order dated September 23, 2020. Consequently, the Company filed a certified copy of Order with Registrar of Companies ('ROC') on September 29, 2020 and utilized an amount of ₹ 28,100 Lakhs from paid-up share capital of the Company by reducing the face value of the equity shares from ₹ 10/- to ₹ 5/- each and ₹ 10,301 Lakhs from securities premium to write-off its accumulated losses of ₹ 38,401 Lakhs.

9 The Company is engaged in the business of software products and related services, which are monitored as a single segment by the Chief Operating Decision Maker, accordingly, 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 The full impact of COVID – 19 still remains uncertain and could be different from the estimates considered while preparing these standalone financial results. The Company shall continue to closely monitor any material changes to future economic conditions.

11 The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

12 The Board of Directors had recommended a final dividend of ₹ 0.25/-(5%) per equity share on face value of ₹ 5/- each for the financial year 2020-2021. The same was approved by the shareholders in the Annual General Meeting of the Company held on July 9, 2021 and was paid on July 20, 2021.

13 (a) With effect from January 1, 2021, the Company has carried out strategic re-organization and decided to centralize certain key Sales and Business support functions, to drive better efficiency of scale and overall operations. Accordingly, all such employees in sales and business support functions from other group entities in India have been transferred to the Company.

(b) During the previous quarter ended March 31, 2021, pursuant to the above re-organisation, common costs pertaining to sales and business support function amounting to ₹ 1,406 Lakhs (including ₹ 422 Lakhs up for the period from April 01, 2020 to December 31, 2020) had been recovered by the Company with an agreed mark-up from other group entities and is reflected under revenue from operations. Similarly, an amount of ₹ 135 Lakhs (including ₹ 117 Lakhs for the period from April 01, 2020 to December 31, 2020) had been charged to the Company by other group entities and is reflected under marketing and support charges in other expenses.

14 The figures of last quarter of previous year are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year to date figures for the nine months ended December 31, 2020.

Place: Bengaluru
Date: August 9, 2021

Vinod Kumar Padmanabhan
Managing Director & CEO

For further details on the results, please visit our website: www.subex.com

SUBEX LIMITED

Registered office: Pritech Park - SEZ, Block-09, 4th Floor, B Wing, Survey No. 51-64/4, Outer ring road, Bellandur Village,Varthur Hobli, Bangalore -560 103

Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2021

(₹ in Lakhs)

	Particulars	Quarter ended			Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		Unaudited	Audited (Refer note 16)	Unaudited	Audited
1	Revenue from operations	8,060	9,616	8,870	37,203
2	Other income	671	172	96	474
3	**Total income (1+2)**	**8,731**	**9,788**	**8,966**	**37,677**
	Expenses				
	Employee benefits expense (Refer note 4)	5,107	5,017	4,557	19,720
	Finance costs	41	45	110	296
	Depreciation and amortization expense	242	223	366	1,378
	Other expenses	1,333	2,284	1,353	7,633
4	**Total expenses**	**6,723**	**7,569**	**6,386**	**29,027**
5	**Profit before exceptional items and tax (3-4)**	**2,008**	**2,219**	**2,580**	**8,650**
	Exceptional items				
	Provision for service tax receivable (Refer note 6)	-	-	-	(267)
	Gain on termination of lease agreement (Refer note 7)	-	-	-	554
6	**Total exceptional items**	**-**	**-**	**-**	**287**
7	**Net profit before tax (5+6)**	**2,008**	**2,219**	**2,580**	**8,937**
8	**Tax expense, net**				
	Current tax charge	92	639	1	696
	Provision/(Reversal) - foreign withholding taxes (Refer note 8)	65	(541)	346	399
	Deferred tax charge (including MAT credit entitlement) (Refer note 9)	503	561	717	2,670
	Total tax expense	**660**	**659**	**1,064**	**3,765**
9	**Net profit for the period/ year (7-8)**	**1,348**	**1,560**	**1,516**	**5,172**
10	**Other comprehensive income/ (loss) net of tax expense**				
	Items that will be reclassified subsequently to profit or loss:				
	Net exchange differences gain/(loss) on translation of foreign operations	150	61	(38)	636
	Items that will not be reclassified subsequently to profit or loss:				
	Re-measurement gain/(loss) on defined benefit plan	(3)	26	(4)	(12)
	Total other comprehensive income/ (loss)	**147**	**87**	**(42)**	**624**
11	**Total comprehensive income/ (loss) for the period/ year (9+10)**	**1,495**	**1,647**	**1,474**	**5,796**
12	Paid up equity share capital (Refer note 10) [face value of ₹ 5 each w.e.f September 29, 2020 and ₹ 10 upto September 28, 2020]	28,100	28,100	56,200	28,100
13	Other equity	-	-	-	26,755
14	Earnings per share (of ₹ 5/- each w.e.f September 29, 2020 and ₹ 10 upto September 28, 2020) (not annualised in case of the interim periods) (Refer note 10):				
	- Basic	0.25	0.29	0.28	0.96
	- Diluted	0.24	0.28	0.28	0.94

Notes:

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on August 9, 2021.

2 The financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (“Ind AS”) 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, as amended.

3 The financial results of Subex Limited (Standalone information):

(₹ in Lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	Unaudited	Audited (Refer note 16)	Unaudited	Audited
Total income	1,700	2,573	1,332	5,510
Net profit before tax expense	269	1,186	900	2,651
Net profit for the period/ year	269	1,157	900	2,622
Total comprehensive income / (loss) for the period/ year	269	1,162	899	2,622

4 Employee benefits expenses for the quarters ended June 30, 2021, March 31, 2021 and June 30, 2020 are net of reversal of provision no longer required, in respect of employee incentives relating to sales and delivery commissions, amounting to ₹ 786 Lakhs, ₹ 486 Lakhs and ₹ 333 Lakhs, respectively, and that for the year ended March 31, 2021 amounting to ₹ 333 Lakhs.

5 As at March 31, 2021, the Company assessed and concluded the carrying value of it's goodwill along with carrying value of related Cash Generating Units ('CGUs') is appropriate. There is no change in the management's assessment as regards the aforementioned carrying value of it's goodwill along with carrying value of related CGU as at June 30, 2021.

6 During the previous year ended March 31, 2021, service tax receivable of ₹ 267 lakhs had been provided for considering the uncertainty as regards to its realisation.

7 Represents gain arising on termination of the lease agreement of existing office premises in India, accounted in accordance with Ind AS 116 – Leases.

8 Represents reversal/provision in respect of foreign withholding taxes deducted/ deductible by the overseas customers of the Group. Considering the expected utilisation of foreign withholding taxes, provision of ₹ 723 Lakhs (including provision of ₹ 279 Lakhs as at April 01, 2020) made during the earlier quarters, has been reversed during the previous quarter ended March 31, 2021.

9 Deferred tax charge/(credit), comprises of liability arising on account of tax benefits from amortisation of intangible assets of Subex Assurance LLP, net of deferred tax assets arising on account of carry forward losses and other taxable temporary differences, which arose mainly on account of business restructuring effected from November 1, 2017, wherein, the Company’s RMS business and the Digital business was transferred on going concern basis to Subex Assurance LLP and Subex Digital LLP respectively.

10 The Board of Directors in its meeting held on February 07, 2020, approved a scheme of Capital Reduction in accordance with Section 52 of the Companies Act, 2013 and Section 66 of the Companies Act, 2013 read with National Company Law Tribunal (‘NCLT’) (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013. The Hon’ble NCLT approved the said Scheme vide its order dated September 23, 2020. Consequently, the Company filed a certified copy of the Order with Registrar of Companies ('ROC') on September 29, 2020 and utilized an amount of ₹ 28,100 Lakhs from paid-up share capital of the Company by reducing the face value of the equity shares from ₹ 10/- to ₹ 5/- each and ₹ 10,301 Lakhs from securities premium to write-off its accumulated losses of ₹ 38,401 Lakhs.

11 The Group is engaged in the business of software products and related services, which are monitored as a single segment by the Chief Operating Decision Maker, accordingly, these, in the context of Ind AS 108 on Operating Segments Reporting are considered to constitute one segment and hence the Group has not made any additional segment disclosures.

12 The full impact of COVID – 19 still remains uncertain and could be different from the estimates considered while preparing these consolidated financial results. The Group shall continue to closely monitor any material changes to future economic conditions.

13 The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

14 The Board of Directors had recommended a final dividend of ₹ 0.25/-(5%) per equity share on face value of ₹ 5/- each for the financial year 2020-2021. The same was approved by the shareholders in the Annual General Meeting of the Company held on July 9, 2021 and was paid on July 20, 2021.

15 The US Federal government in the wake of COVID 19 pandemic provided support to business through Paycheck Protection Program (PPP). Subex Inc. obtained a benefit under this scheme for ₹600 Lakhs during May 2020. During the quarter ended June 30, 2021, Subex Inc. has obtained complete waiver of the loan amount from Small Business Administration, United States government agency and accordingly the loan and interest accrued thereon has been recognised as other income.

16 The figures of last quarter of previous year are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year to date figures for the nine months ended December 31, 2020.

Place: Bengaluru
Date: August 9, 2021

Vinod Kumar Padmanabhan
Managing Director & CEO

For further details on the results, please visit our website: www.subex.com