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 Standalone Financial Results for quarter and year ended March 31, 2022

(₹ in Lakhs)

	Particulars	Quarter ended			Year ended	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		Audited	Unaudited	Audited	Audited	Audited
	Income					
1	Revenue from operations [refer note 5]	1,630	2,078	1,691	6,836	2,916
2	Share of profit from Limited Liability Partnerships(net) (refer note 3)	-	-	880	-	2,585
3	Other income	2	2	2	6	9
4	**Total income (1+2+3)**	**1,632**	**2,080**	**2,573**	**6,842**	**5,510**
	Expenses					
	Employee benefits expense [refer note 5]	1,054	1,078	887	4,293	1,361
	Finance costs	3	3	1	12	14
	Depreciation and amortization expense	39	41	42	163	193
	Share of loss from Limited Liability Partnerships(net) (refer note 3)	798	491	-	1,273	-
	Other expenses [refer note 6]	412	558	457	1,548	1,060
5	**Total expenses**	**2,306**	**2,171**	**1,387**	**7,289**	**2,628**
6	**(Loss)/ profit before exceptional items and tax (4-5)**	**(674)**	**(91)**	**1,186**	**(447)**	**2,882**
	Exceptional items					
	Gain on termination of lease agreement	-	-	-	-	36
	Provision for service tax receivable	-	-	-	-	(267)
7	**Total exceptional items**	-	-	-	-	**(231)**
8	**Net (loss)/ profit before tax (6-7)**	**(674)**	**(91)**	**1,186**	**(447)**	**2,651**
9	**Tax expense, net**					
	Current tax charge	25	65	29	141	35
	Deferred tax (MAT credit entitlement)	(25)	(65)	-	(141)	-
	Reversal - foreign withholding taxes	-	-	-	-	(6)
	Total tax expense	-	-	**29**	-	**29**
10	**Net (loss)/ profit for the period/ year (8-9)**	**(674)**	**(91)**	**1,157**	**(447)**	**2,622**
11	**Other comprehensive income/ (loss), net of tax expense**					
	Items that will not be reclassified subsequently to profit or loss					
	Re-measurement gain/ (loss) on defined benefits plan	22	(8)	5	(3)	-
12	**Total comprehensive (loss)/ income for the period/ year (10+11)**	**(652)**	**(99)**	**1,162**	**(450)**	**2,622**
13	Paid up equity share capital [face value of ₹ 5 (March 31, 2021: ₹ 5)]	28,100	28,100	28,100	28,100	28,100
14	Other equity	-	-	-	20,826	22,066
15	(Loss)/ Earnings per share (of ₹ 5/- each) (not annualised in case of the interim periods)					
	- Basic	(0.12)	(0.02)	0.21	(0.08)	0.49
	- Diluted	(0.12)	(0.02)	0.21	(0.08)	0.48

SUBEX LIMITED ★ BANGALORE-560 103 ★

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 Standalone Assets and Liabilities

(₹ in Lakhs)

	Particulars	As at March 31, 2022 Audited	As at March 31, 2021 Audited
A	**ASSETS**		
	Non-current assets		
	Property, plant and equipment	29	53
	Right-of-use assets	36	46
	Intangible assets	650	775
	Financial assets		
	Investments	42,761	47,561
	Other financial assets	26	14
	Income tax asset (net)	2,903	2,900
	Deferred tax asset (MAT credit entitlement)	141	-
	Other non-current assets	12	-
		46,558	**51,349**
	Current assets		
	Financial assets		
	Loans	30	26
	Trade receivables	5,824	2,184
	Cash and cash equivalents	802	397
	Other balances with banks	75	-
	Other financial assets	1,012	3,900
	Other current assets	63	63
		7,806	**6,570**
	Total assets	**54,364**	**57,919**
B	**EQUITY AND LIABILITIES**		
	Equity		
	Equity share capital	28,100	28,100
	Other equity	20,826	22,066
	Total equity	**48,926**	**50,166**
	Liabilities		
	Non-current liabilities		
	Financial liabilities		
	Lease liabilities	27	35
	Provisions	100	116
		127	**151**
	Current liabilities		
	Financial liabilities		
	Lease liabilities	11	11
	Trade payables		
	- total outstanding dues of micro enterprises and small enterprises	134	3
	- total outstanding dues of creditors other than micro enterprises and small enterprises	1,031	355
	Other financial liabilities	3,767	6,909
	Other current liabilities	104	99
	Provisions	122	90
	Income tax liabilities (net)	142	135
		5,311	**7,602**
	Total liabilities	**5,438**	**7,753**
	Total equity and liabilities	**54,364**	**57,919**

SUBEX LIMITED ★ BANGALORE-560 103 ★

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

Standalone statement of cash flows for the year ended March 31, 2022

(₹ in Lakhs)

	Particulars	Year ended	
		March 31, 2022	March 31, 2021
		Audited	Audited
(A)	**Operating activities**		
	(Loss)/ profit before tax expense	(447)	2,651
	Adjustments to reconcile profit/ (loss) before tax expense to net cash flows:		
	Depreciation of property, plant and equipment and right-of-use assets	38	68
	Amortization of intangible assets	125	125
	Expense on employee share based payments	7	9
	Interest income (including fair value changes)	(4)	(9)
	Net gain on sale of investments	(1)	-
	Finance costs (including fair value changes)	12	14
	Allowance for expected credit losses	-	(23)
	Gain on termination of lease agreement	-	(36)
	Provision for service tax receivable	-	267
	Share of loss/ (profit) from Limited Liability Partnerships (net)	1,273	(2,585)
	Net foreign exchange loss	93	22
	Operating profit before working capital changes	**1,096**	**503**
	Working capital adjustments:		
	(Increase)/ decrease in loans	(4)	21
	(Increase)/ decrease in trade receivables	(3,619)	(1,139)
	(Increase)/ decrease in other financial assets	(43)	-
	(Increase)/ decrease in other assets	(12)	(43)
	Increase/ (decrease) in trade payables	824	73
	Increase/ (decrease) in other financial liabilities	(50)	464
	Increase/ (decrease) in other current liabilities	5	77
	Increase/ (decrease) in provisions	5	191
		(1,798)	**147**
	Income tax paid (including TDS, net of refund)	(137)	(2)
	Net cash flows (used in)/ from operating activities	**(1,935)**	**145**
(B)	**Investing activities**		
	Purchase of property, plant and equipment	-	(55)
	Drawings from Limited Liability Partnerships	9,074	2,600
	Share of loss paid to Limited Liability Partnership	(5,750)	-
	Share of loss paid to SDLLP	2,875	-
	Purchase of Investments	(2,876)	-
	Movement in margin money deposit (net)	(75)	-
	Purchase of treasury shares by ESOP trust	-	(22)
	Interest received	3	7
	Net cash flows from investing activities	**3,251**	**2,530**
(C)	**Financing activities**		
	Proceeds from exercise of ESOP	440	141
	Interest paid	(4)	(14)
	Repayment of lease liability	(8)	(51)
	Payments of dividend	(1,339)	(2,746)
	Net cash flows used in financing activities	**(911)**	**(2,670)**
(D)	**Net increase in cash and cash equivalents (A+B+C)**	**405**	**5**
	Cash and cash equivalents at the beginning of the year	397	392
(E)	**Cash and cash equivalents at year end**	**802**	**397**

SUBEX LIMITED ★ BANGALORE-560 103 ★

Notes:

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on May 30, 2022.

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

Particulars	Quarter ended			Year ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	Audited	Unaudited	Audited	Audited	Audited
Share of profit/ (loss) from Subex Assurance LLP	(235)	188	1,194	1,353	4,628
Share of loss from Subex Digital LLP	(563)	(679)	(314)	(2,626)	(2,043)
Total	**(798)**	**(491)**	**880**	**(1,273)**	**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 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.

5 Effective January 1, 2021, the Company had 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 had been transferred to the Company. During the quarter ended March 31, 2022, quarter ended December 31, 2021, year ended March 31, 2022 and year ended March 31, 2021, the common costs pertaining to sales and business support function amounting to ₹ 1,238 Lakhs,₹ 1,212 Lakhs, ₹ 4,618 Lakhs and ₹ 1,406 Lakhs respectively had been recovered by the Company with an agreed mark-up from other group entities and is reflected under revenue from operations.

6 The Board of Directors of the Company in its meeting held on October 28, 2021 has approved the restructuring of the business, subject to all requisite approvals, wherein the business carried out by Subex Assurance LLP will be transferred to Subex Limited on a 'going concern' basis excluding Developed Technology and Investment in subsidiaries. The aforesaid restructuring is being carried out to achieve higher operational efficiencies upon integration and consolidation of business in the listed entity. On February 23, 2022, the shareholder of the Company approved the aforesaid restructuring through postal ballot. The aforesaid restructuring is likely to be completed over next few months.

7 On December 6, 2021, the Company experienced a cybersecurity incident related to ransomware. The Company could contain the incident in a timely basis and has also ensured that all traces of the infection are completely cleared from the network. All affected systems were restored and brought back to normalcy in the order of priority. The management has assessed the impact of the incident on the control environment and the financial statement process and conclude there was no material impact on the financial results. Since then, the Company has also been focused on implementing significant improvements to its cyber and data security systems to safeguard from such risks in the future.

Place: Bengaluru
Date: May 30, 2022

Vinod Kumar Padmanabhan
Managing Director & CEO

SUBEX LIMITED ★ BANGALORE-560103 ★

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 Consolidated Financial Results for quarter and year ended March 31, 2022

(₹ in Lakhs)

	Particulars	Quarter ended			Year Ended	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		Audited	Unaudited	Audited	Audited	Audited
1	Revenue from operations	7,880	8,774	9,616	33,344	37,203
2	Other income	200	69	172	1,037	474
3	**Total income (1+2)**	**8,080**	**8,843**	**9,788**	**34,381**	**37,677**
	Expenses					
	Employee benefits expense (Refer note 4)	5,412	5,488	5,017	21,449	19,720
	Finance costs	32	88	45	194	296
	Depreciation and amortization expense	248	252	223	988	1,378
	Other expenses	2,367	2,483	2,284	8,381	7,633
4	**Total expenses**	**8,059**	**8,311**	**7,569**	**31,012**	**29,027**
5	**Profit before exceptional items and tax (3-4)**	**21**	**532**	**2,219**	**3,369**	**8,650**
	Exceptional items					
	Provision for service tax receivable	-	-	-	-	(267)
	Gain on termination of lease agreement	-	-	-	-	554
6	**Total exceptional items**	-	-	-	-	**287**
7	**Net profit before tax (5+6)**	**21**	**532**	**2,219**	**3,369**	**8,937**
8	**Tax expense, net**					
	Current tax (reversal)/ charge	(165)	160	639	251	696
	Provision/ (reversal) - foreign withholding taxes (Refer note 5)	85	281	(541)	593	399
	Deferred tax charge/ (credit) (including MAT credit entitlement) (Refer note 6)	40	(117)	561	426	2,670
	Total tax expense	**(40)**	**324**	**659**	**1,270**	**3,765**
9	**Net profit for the period/ year (7-8)**	**61**	**208**	**1,560**	**2,099**	**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	204	(54)	61	267	636
	Items that will not be reclassified subsequently to profit or loss:					
	Re-measurement gain/(loss) on defined benefit plan	41	(35)	26	(64)	(12)
	Total other comprehensive income/ (loss)	**245**	**(89)**	**87**	**203**	**624**
11	**Total comprehensive income for the period/ year (9+10)**	**306**	**119**	**1,647**	**2,302**	**5,796**
12	Paid up equity share capital [face value of ₹ 5 (March 31, 2021: ₹ 5)]	28,100	28,100	28,100	28,100	28,100
13	Other equity	-	-	-	28,267	26,755
14	Earnings per share (of ₹ 5/- each) (not annualised in case of the interim periods)					
	- Basic	0.01	0.04	0.29	0.38	0.96
	- Diluted	0.01	0.04	0.28	0.38	0.94

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 Consolidated Assets and Liabilities

(₹ in Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021
		Audited	Audited
A	**ASSETS**		
	Non-current assets		
	Property, plant and equipment	959	1,177
	Right-of-use assets	1,386	1,962
	Goodwill on consolidation	34,409	34,409
	Other intangible assets	14	-
	Financial assets		
	Other financial assets	447	302
	Income tax asset (net)	4,947	3,479
	Deferred tax asset (including MAT credit entitlement)	148	125
	Other non-current assets	42	-
		42,352	**41,454**
	Current assets		
	Financial assets		
	Loans	161	220
	Investments	1,165	-
	Trade receivables	9,681	9,956
	Cash and cash equivalents	8,539	14,294
	Other balances with banks	2,328	207
	Other financial assets	7,003	5,896
	Other current assets	779	639
		29,656	**31,212**
	Total Assets	**72,008**	**72,666**
B	**EQUITY AND LIABILITIES**		
	Equity		
	Equity share capital	28,100	28,100
	Other equity	28,267	26,755
	Total equity	**56,367**	**54,855**
	Liabilities		
	Non-current liabilities		
	Financial liabilities		
	Lease Liabilities	998	1,575
	Provisions	304	275
	Deferred tax liabilities(net)	6,742	6,289
		8,044	**8,139**
	Current liabilities		
	Financial liabilities		
	Borrowings	-	584
	Lease Liabilities	470	420
	Trade payable		
	- total outstanding dues of micro enterprises and small enterprises	276	66
	- total outstanding dues of creditors other than micro enterprises and small enterprises	1,396	1,245
	Other financial liabilities	1,491	3,045
	Other current liabilities	2,506	2,935
	Provisions	830	791
	Income tax liabilities (net)	628	586
		7,597	**9,672**
	Total liabilities	**15,641**	**17,811**
	Total equity and liabilities	**72,008**	**72,666**

SUBEX LIMITED ★ BANGALORE-560 103 ★

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

Consolidated statement of cash flows for the year ended March 31, 2022

(₹ in Lakhs)

	Particulars	Year ended	
		March 31, 2022	March 31, 2021
		Audited	Audited
(A)	**Operating activities**		
	Profit before tax expense	3,369	8,937
	Adjustments to reconcile profit/(loss) before tax expense to net cash flows:		
	Depreciation of property, plant and equipment and right-of-use assets	987	1,375
	Amortization of intangible assets	1	3
	Gain on disposal of property, plant and equipment (net)	-	(4)
	Interest income (including fair value changes)	(266)	(374)
	Fair value gain on mutual fund at fair value through profit or loss	(7)	-
	Net gain on sale of investments	(15)	-
	Finance costs (including fair value changes)	194	296
	Allowance for expected credit losses	536	(153)
	Expense on share based payment	137	148
	Gain on termination/modification of lease agreement	(12)	(554)
	Provision for service tax receivable	-	267
	Waiver of borrowings (PPP Loan and interest)	(584)	-
	Net foreign (gain)/ loss	(165)	720
	Operating profit before working capital changes	**4,175**	**10,661**
	Working capital adjustments:		
	(Increase)/ decrease in loans	76	299
	(Increase)/ decrease in trade receivables	(27)	(63)
	(Increase)/ decrease in other financial assets	(1,006)	(1,010)
	(Increase)/ decrease in other assets	(185)	(43)
	Increase/ (decrease) in trade payables	329	(437)
	Increase/ (decrease) in other financial liabilities	(1,375)	573
	Increase/ (decrease) in other current liabilities	(551)	514
	Increase/ (decrease) in provisions	(34)	5
		1,402	**10,499**
	Income tax paid (including TDS, net of refund)	(2,278)	(1,404)
	Net cash flows (used in) / from operating activities	**(876)**	**9,095**
(B)	**Investing activities**		
	Purchase of property, plant and equipment	(540)	(862)
	Proceeds from sale of property, plant and equipment	-	7
	Purchase of Investments	(9,672)	-
	Sales of investments	8,529	-
	Movement in margin money deposit (net)	(2,111)	(154)
	Purchase of treasury shares by ESOP trust	-	(22)
	Interest received	260	309
	Net cash flows used in investing activities	**(3,534)**	**(722)**
(C)	**Financing activities**		
	Proceeds from exercise of ESOP	440	141
	Proceeds from borrowings	-	600
	Interest paid	(178)	(271)
	Repayment of lease liability	(389)	(931)
	Payment of dividends	(1,339)	(2,746)
	Net cash flows used in financing activities	**(1,466)**	**(3,207)**
(D)	**Net (decrease)/ increase in cash and cash equivalents (A+B+C)**	**(5,876)**	**5,166**
	Net foreign exchange difference on cash and cash equivalents	121	85
	Cash and cash equivalents at the beginning of the year	14,294	9,043
(E)	**Cash and cash equivalents at the end of the year**	**8,539**	**14,294**

SUBEX LIMITED ★ BANGALORE-560 103 ★

Notes:

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on May 30, 2022.

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):

Particulars	Quarter ended			Year Ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	Audited	Unaudited	Audited	Audited	Audited
Total income	1,632	2,080	2,573	6,842	5,510
Net (loss)/ profit before tax	(674)	(91)	1,186	(447)	2,651
Net (loss)/ profit for the period/ year	(674)	(91)	1,157	(447)	2,622
Total comprehensive (loss)/ income for the period/ year	(652)	(99)	1,162	(450)	2,622

4 Employee benefits expenses for the quarter ended March 31, 2022, December 31, 2021 and March 31, 2021 are net of reversal of provision no longer required, in respect of employee incentives, amounting to ₹ 161 Lakhs, ₹ 184 Lakhs and ₹ 486 Lakhs, respectively, and that for the year ended March 31, 2022 and March 31, 2021 amounting to ₹ 786 Lakhs and ₹ 333 Lakhs, respectively.

5 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 made during the earlier quarters, has been reversed during the year ended March 31, 2021.

6 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. Effective April 1, 2021 considering the favourable order received, no additional liability is created in respect of aforesaid tax benefits.

7 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.

8 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 nine months period ended December 31, 2021, Subex Inc. obtained complete waiver of the loan amount from Small Business Administration, United States government agency and accordingly the loan and interest accrued thereon was recognised as other income.

9 The Board of Directors of the Company in its meeting held on October 28, 2021 has approved the restructuring of the business, subject to all requisite approvals, wherein the business carried out by Subex Assurance LLP will be transferred to Subex Limited on a 'going concern' basis excluding Developed Technology and Investment in subsidiaries. The aforesaid restructuring is being carried out to achieve higher operational efficiencies upon integration and consolidation of business in the listed entity. On February 23, 2022, the shareholder of the Company approved the aforesaid restructuring through postal ballot. The aforesaid restructuring is likely to be completed over next few months.

10 On December 6, 2021, the Group experienced a cybersecurity incident related to ransomware. The Group could contain the incident in a timely basis and has also ensured that all traces of the infection are completely cleared from the network. All affected systems were restored and brought back to normalcy in the order of priority. The management has assessed the impact of the incident on the control environment and the financial statement process and conclude there was no material impact on the financial results. Since then, the Group has also been focused on implementing significant improvements to its cyber and data security systems to safeguard from such risks in the future.

Place: Bengaluru
Date: May 30, 2022

Vinod Kumar Padmanabhan
Managing Director & CEO

SUBEX LIMITED ★ BANGALORE-560103 ★

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