

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 quarter ended June 30, 2022

(₹ in Lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	Unaudited (Refer note 6)	Audited (Refer note 7)	Unaudited	Audited
Income				
1 Revenue from operations	7,943	1,630	1,569	6,836
2 Share of profit from Limited Liability Partnerships (net) (Refer note 3)	-	-	129	-
3 Other income	41	2	2	6
4 Total income (1+2+3)	7,984	1,632	1,700	6,842
Expenses				
Employee benefits expense	3,165	1,054	1,096	4,293
Finance costs	21	3	2	12
Depreciation and amortization expense	203	39	41	163
Share of loss from Limited Liability Partnerships (net) (Refer note 3)	308	798	-	1,273
Other expenses (Refer note 4)	5,394	412	292	1,548
5 Total expenses	9,091	2,306	1,431	7,289
6 Net (loss)/ profit before tax (4-5)	(1,107)	(674)	269	(447)
7 Tax expense				
Current tax charge	109	25	23	141
MAT credit entitlement	(109)	(25)	(23)	(141)
Deferred tax credit (Refer note 6)	(1,153)	-	-	-
Total tax expense, net	(1,153)	-	-	-
8 Net profit/ (loss) for the period/ year (6-7)	46	(674)	269	(447)
9 Other comprehensive (loss)/ income, net of tax expense				
Items that will not be reclassified subsequently to profit or loss				
Re-measurement (loss)/ gain on defined benefits plan	(1)	22	-	(3)
10 Total comprehensive income/ (loss) for the period/ year (8+9)	45	(652)	269	(450)
11 Paid up equity share capital [face value of ₹ 5 (March 31, 2022: ₹ 5)]	28,100	28,100	28,100	28,100
12 Other equity	-	-	-	20,826
13 Earnings/ (loss) per share (of ₹ 5/- each) (not annualised in case of the interim periods)				
- Basic	0.01	(0.12)	0.05	(0.08)
- Diluted	0.01	(0.12)	0.05	(0.08)



Notes:

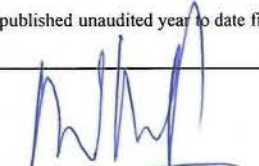
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on August 8, 2022.
- The financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("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.
- Share of (loss)/ profit from Limited Liability Partnerships are as follows:

Particulars	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	Unaudited	Audited (Refer note 7)	Unaudited	Audited
Share of profit/ (loss) from Subex Assurance LLP (Refer note 6)	122	(235)	799	1,353
Share of loss from Subex Digital LLP	(430)	(563)	(670)	(2,626)
Total	(308)	(798)	129	(1,273)

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.

- During the quarter ended June 30, 2022, an amount of ₹ 1,274 Lakhs was provided on a conservative basis as doubtful debts towards receivable from one of its subsidiary. Notwithstanding the provision, the management is confident to recover the aforesaid amount.
- 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.
- Pursuant to approval of the Board of Directors and Shareholders of the Company for restructuring of the business, effective April 1, 2022, business carried out by Subex Assurance LLP, wholly owned subsidiary, is transferred to the Company on a 'going concern' basis excluding Developed Technology & related research and development unit and Investment in subsidiaries for an aggregate consideration of ₹ 9,229 Lakhs. The aforesaid restructuring is being carried out to achieve higher operational efficiencies upon integration and consolidation of business in the listed entity. Accordingly, the figures of current quarter are not comparable with previous comparative periods. Consequent to the aforesaid restructuring, management has recognised deferred tax assets of ₹ 1,147 Lakhs, being reasonably certain that sufficient future taxable profits would be available to utilise these deferred tax assets. In respect of remaining unused tax losses, management would reassess and recognise when it is probable that taxable profits would be available against which such tax losses can be recognised.
- 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, 2022 and the published unaudited year to date figures for the nine months ended December 31, 2021.

Place: Bengaluru
Date: August 8, 2022


Vinod Kumar Padmanabhan
Managing Director & CEO

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



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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 quarter ended June 30, 2022

(₹ in Lakhs)

Particulars	Quarter ended		Year ended	
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	Unaudited	Audited (Refer note 10)	Unaudited	Audited
1 Revenue from operations	8,326	7,880	8,060	33,344
2 Other income (Refer note 8)	265	200	671	1,037
3 Total income (1+2)	8,591	8,080	8,731	34,381
Expenses				
Employee benefits expense (Refer note 4)	5,156	5,412	5,107	21,449
Finance costs	28	32	41	194
Depreciation and amortization expense	261	248	242	988
Other expenses (Refer note 6)	3,099	2,367	1,333	8,381
4 Total expenses	8,544	8,059	6,723	31,012
5 Net profit before tax (3-4)	47	21	2,008	3,369
6 Tax expense				
Current tax charge/ (reversal)	121	(165)	92	251
MAT credit entitlement	(109)	(25)	(23)	(141)
Provision - foreign withholding taxes (Refer note 5)	135	85	65	593
Deferred tax (credit)/ charge (Refer note 9)	(654)	65	526	567
Total tax expense, net	(507)	(40)	660	1,270
7 Net profit for the period/ year (5-6)	554	61	1,348	2,099
8 Other comprehensive income/ (loss) net of tax expense				
<i>Items that will be reclassified subsequently to profit or loss:</i>				
Net exchange differences gain on translation of foreign operations	300	204	150	267
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Re-measurement (loss)/ gain on defined benefit plan	(16)	41	(3)	(64)
Total other comprehensive income/ (loss)	284	245	147	203
9 Total comprehensive income for the period/ year (7+8)	838	306	1,495	2,302
10 Paid up equity share capital [face value of ₹ 5 (March 31, 2022: ₹ 5)]	28,100	28,100	28,100	28,100
11 Other equity	-	-	-	28,267
12 Earnings per share (of ₹ 5/- each) (not annualised in case of the interim periods)				
- Basic	0.10	0.01	0.25	0.38
- Diluted	0.10	0.01	0.24	0.38



Notes:

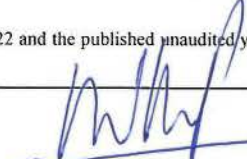
- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on August 8, 2022.
- 2 The financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("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):

(₹ in Lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	Unaudited	Audited (Refer note 10)	Unaudited	Audited
Total income	7,984	1,632	1,700	6,842
Net (loss)/ profit before tax	(1,107)	(674)	269	(447)
Net profit/ (loss) for the period/ year	46	(674)	269	(447)
Total comprehensive income/ (loss) for the period/ year	45	(652)	269	(450)

- 4 Employee benefits expenses for the quarter ended June 30, 2022, March 31, 2022, June 30, 2021 and for the year ended March 31, 2022 are net of reversal of provision no longer required in respect of employee incentives amounting to ₹ 185 Lakhs, ₹ 161 Lakhs, ₹ 786 Lakhs and ₹ 786 Lakhs respectively.
- 5 Represents provision in respect of foreign withholding taxes deducted/ deductible by the overseas customers of the Group.
- 6 During the quarter ended June 30, 2022, an amount of ₹ 866 Lakhs was provided on a conservative basis as doubtful debts towards receivable from one of the customers. Notwithstanding the provision, the management is confident to recover the aforesaid amount.
- 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 quarter ended June 30, 2021 and previous year ended March 31, 2022, 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 Pursuant to approval of the Board of Directors and Shareholders of the Company for restructuring of the business, effective April 1, 2022, business carried out by Subex Assurance LLP, wholly owned subsidiary, is transferred to the Company on a 'going concern' basis excluding Developed Technology & related research and development unit and Investment in subsidiaries for an aggregate consideration of ₹ 9,229 Lakhs. The aforesaid restructuring is being carried out to achieve higher operational efficiencies upon integration and consolidation of business in the listed entity. Consequent to the aforesaid restructuring, management has recognised deferred tax assets of ₹ 702 Lakhs, being reasonably certain that sufficient future taxable profits would be available to utilise these deferred tax assets. In respect of remaining unused tax losses, management would reassess and recognise when its probable that taxable profits would be available against which such tax losses can be recognised.
- 10 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, 2022 and the published unaudited year to date figures for the nine months ended December 31, 2021.

Place: Bengaluru
Date: August 8, 2022


Vinod Kumar Padmanabhan
Managing Director & CEO

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

