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 and six months ended September 30, 2022

(₹ in Lakhs)

	Particulars	Quarter ended			Year to date figures for the six months ended		Year ended
		September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
		Unaudited	Unaudited	Unaudited (Refer note 6)	Unaudited (Refer note 6)	Unaudited (Refer note 6)	Audited (Refer note 6)
	Income						
1	Revenue from operations	7,442	7,943	1,559	15,385	3,128	6,836
2	Share of profit from Limited Liability Partnerships (net) (Refer note 3)	-	-	-	-	16	-
3	Other income	91	41	-	132	2	6
4	**Total income (1+2+3)**	**7,533**	**7,984**	**1,559**	**15,517**	**3,146**	**6,842**
	Expenses						
	Employee benefits expense	3,014	3,165	1,065	6,179	2,161	4,293
	Finance costs	73	21	4	94	6	12
	Depreciation and amortization expense	325	203	42	528	83	163
	Share of loss from Limited Liability Partnerships (net) (Refer note 3)	872	308	113	1,180	-	1,273
	Other expenses (Refer note 4)	4,356	5,394	286	9,750	578	1,548
5	**Total expenses**	**8,640**	**9,091**	**1,510**	**17,731**	**2,828**	**7,289**
6	**Net (loss)/ profit before tax (4-5)**	**(1,107)**	**(1,107)**	**49**	**(2,214)**	**318**	**(447)**
7	**Tax expense, net**						
	Current tax charge/ (Reversal)	(41)	109	28	68	51	141
	MAT credit entitlement/ (Reversal)	41	(109)	(28)	(68)	(51)	(141)
	Deferred tax credit (Refer note 6)	-	(1,153)	-	(1,153)	-	-
	Total tax expense	**-**	**(1,153)**	**-**	**(1,153)**	**-**	**-**
8	**Net profit/ (loss) for the period/ year (6-7)**	**(1,107)**	**46**	**49**	**(1,061)**	**318**	**(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)	(17)	(1)	(17)	(3)
10	**Total comprehensive income/ (loss) for the period/ year (8+9)**	**(1,107)**	**45**	**32**	**(1,062)**	**301**	**(450)**
11	Paid up equity share capital [face value of ₹ 5 (March 31, 2022: ₹ 5)]	28,100	28,100	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	(0.20)	0.01	0.01	(0.19)	0.06	(0.08)
	- Diluted	(0.20)	0.01	0.01	(0.19)	0.06	(0.08)

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 September 30, 2022 Unaudited (Refer note 6)	As at March 31, 2022 Audited
A	**ASSETS**		
	Non-current assets		
	Property, plant and equipment	760	29
	Right-of-use assets	3,207	36
	Intangible assets	588	650
	Financial assets		
	Investments	33,792	42,761
	Other financial assets	663	26
	Income tax asset (net)	2,907	2,903
	Deferred tax asset (Including MAT credit entitlement)	1,362	141
	Other non-current assets	-	12
		43,279	**46,558**
	Current assets		
	Financial assets		
	Loans	123	30
	Investments	610	-
	Trade receivables	18,385	5,824
	Cash and cash equivalents	3,034	802
	Other balances with banks	211	75
	Other financial assets	2,474	1,012
	Other current assets	445	63
		25,282	**7,806**
	Total assets	**68,561**	**54,364**
B	**EQUITY AND LIABILITIES**		
	Equity		
	Equity share capital	28,100	28,100
	Other equity	19,964	20,826
	Total equity	**48,064**	**48,926**
	Liabilities		
	Non-current liabilities		
	Financial liabilities		
	Lease liabilities	2,641	27
	Provisions	69	100
		2,710	**127**
	Current liabilities		
	Financial liabilities		
	Lease liabilities	572	11
	Trade payables		
	- total outstanding dues of micro enterprises and small enterprises	92	134
	- total outstanding dues of creditors other than micro enterprises and small enterprises	10,522	1,031
	Other financial liabilities	5,538	3,767
	Other current liabilities	642	104
	Provisions	307	122
	Income tax liabilities (net)	114	142
		17,787	**5,311**
	Total liabilities	**20,497**	**5,438**
	Total equity and liabilities	**68,561**	**54,364**

SUBEX LIMITED ★ BANGALORE-560 103 ★

SUBEX LIMITED

Standalone statement of cash flows for the six months ended September 30, 2022

(₹ in Lakhs)

	Particulars	Six months ended September 30, 2022 Unaudited (Refer note 6)	Six months ended September 30, 2021 Unaudited
(A)	**Operating activities**		
	Profit/ (loss) before tax	(2,214)	318
	Adjustments to reconcile profit/ (loss) before tax to net cash flows:		
	Depreciation of property, plant and equipment and right-of-use assets	465	20
	Amortization of intangible assets	63	63
	Expense on employee share based payments	129	1
	Interest income (including fair value changes)	(34)	(1)
	Net gain on sale of investments	(19)	-
	Finance costs (including fair value changes)	94	6
	Allowance for expected credit losses	1,431	-
	Share of (profit)/ loss from Limited Liability Partnerships (Net)	1,180	(16)
	Net foreign exchange differences	(373)	31
	Operating profit before working capital changes	**722**	**422**
	Working capital adjustments:		
	(Increase)/ decrease in loans	(46)	2
	(Increase)/ decrease in trade receivables	(2,480)	(1,746)
	(Increase)/ decrease in other financial assets	247	(25)
	(Increase)/ decrease in other assets	13	(25)
	Increase/ (decrease) in trade payables	5,115	206
	Increase/ (decrease) in other financial liabilities	499	(192)
	Increase/ (decrease) in other current liabilities	(170)	10
	Increase/ (decrease) in provisions	(36)	56
		3,864	**(1,292)**
	Income tax paid (including TDS, net of refund)	(100)	(84)
	Net cash flows (used in)/from operating activities	**3,764**	**(1,376)**
(B)	**Investing activities**		
	Purchase of property, plant and equipment	(213)	(2)
	Drawings from limited liability partnerships	9,200	3,382
	Share of loss paid to Limited Liability Partnership	(350)	(1,000)
	Purchase of Investments	(2,681)	-
	Sale of investments	1,859	-
	Purchase consideration for business restructuring	(9,229)	-
	Movement in margin money deposit (net)	-	(22)
	Interest received	11	1
	Net cash flows (used in)/ from investing activities	**(1,403)**	**2,359**
(C)	**Financing activities**		
	Proceeds from exercise of ESOP	72	257
	Interest paid	(80)	(2)
	Repayment of Lease liability	(121)	(4)
	Payments of dividend	-	(1,346)
	Net cash flows used in financing activities	**(129)**	**(1,095)**
(D)	**Net increase/ (decrease) in cash and cash equivalents (A+B+C)**	**2,232**	**(112)**
	Cash and cash equivalents at the beginning of the period	802	397
(E)	**Cash and cash equivalents at the end of the period**	**3,034**	**285**

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 November 14, 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:

(₹ in Lakhs)

Particulars	Quarter ended			Year to date figures for the six months		Year ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
	Unaudited	Unaudited	Unaudited (Refer note 6)	Unaudited (Refer note 6)	Unaudited (Refer note 6)	Audited (Refer note 6)
Share of profit from Subex Assurance LLP	42	122	601	164	1,400	1,353
Share of loss from Subex Digital LLP	(914)	(430)	(714)	(1,344)	(1,384)	(2,626)
Total	**(872)**	**(308)**	**(113)**	**(1,180)**	**16**	**(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.

4 During the quarter ended June 30, 2022, the Company had carried out an assessment of its receivables and an amount of ₹ 1,274 Lakhs was provided towards certain doubtful receivables from one of it's subsidiary considering the delay in recovery. Notwithstanding the provision, management will continue its efforts to recover the aforesaid amount.

5 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.

6 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 near future. 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.

Place: Bengaluru
Date: November 14, 2022

Vinod Kumar Padmanabhan
Managing Director & CEO

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

SUBEX LIMITED ★ BANGALORE-560103 ★

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 and six months ended September 30, 2022

(₹ in Lakhs)

	Particulars	Quarter ended			Year to date figures for the six months ended		Year ended
		September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations	7,450	8,326	8,630	15,776	16,690	33,344
2	Other income (Refer note 8)	98	265	97	363	768	1,037
3	**Total income (1+2)**	**7,548**	**8,591**	**8,727**	**16,139**	**17,458**	**34,381**
	Expenses						
	Employee benefits expense (Refer note 4)	5,203	5,156	5,442	10,359	10,549	21,449
	Finance costs	82	28	33	110	74	194
	Depreciation and amortization expense	375	261	246	636	488	988
	Other expenses (Refer note 6)	2,216	3,099	2,198	5,315	3,531	8,381
4	**Total expenses**	**7,876**	**8,544**	**7,919**	**16,420**	**14,642**	**31,012**
5	**Net profit/(loss) before tax (3-4)**	**(328)**	**47**	**808**	**(281)**	**2,816**	**3,369**
6	**Tax expense, net**						
	Current tax charge/ (reversal)	(21)	121	164	100	256	251
	MAT credit entitlement/ (Reversal)	41	(109)	-	(68)	-	(141)
	Provision - foreign withholding taxes (Refer note 5)	144	135	162	279	227	593
	Deferred tax charge/(credit) (Refer note 9)	(2)	(654)	-	(656)	503	567
	Total tax expense	**162**	**(507)**	**326**	**(345)**	**986**	**1,270**
7	**Net profit/(loss) for the period/ year (5-6)**	**(490)**	**554**	**482**	**64**	**1,830**	**2,099**
8	**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	169	300	(33)	469	117	267
	Items that will not be reclassified subsequently to profit or loss:						
	Re-measurement (loss)/ gain on defined benefit plan	38	(16)	(67)	22	(70)	(64)
	Total other comprehensive income/ (loss)	**207**	**284**	**(100)**	**491**	**47**	**203**
9	**Total comprehensive income/ (loss) for the period/ year (7+8)**	**(283)**	**838**	**382**	**555**	**1,877**	**2,302**
10	Paid up equity share capital [face value of ₹ 5 (March 31, 2022: ₹ 5)]	28,100	28,100	28,100	28,100	28,100	28,100
11	Other equity	-	-	-	-	-	28,267
12	Earnings/ (Loss) per share (of ₹ 5/- each) (not annualised in case of the interim periods)						
	- Basic	(0.09)	0.10	0.09	0.01	0.34	0.38
	- Diluted	(0.09)	0.10	0.09	0.01	0.33	0.38

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 Consolidated Assets and Liabilities

(₹ in Lakhs)

	Particulars	As at	
		September 30, 2022	March 31, 2022
		Unaudited	Audited
A	**ASSETS**		
	Non-current assets		
	Property, plant and equipment	1,089	959
	Right-of-use assets	3,628	1,386
	Goodwill on consolidation	34,409	34,409
	Intangible assets	13	14
	Financial assets		
	Other financial assets	756	447
	Income tax asset (net)	5,085	4,947
	Deferred tax asset (Including MAT credit entitlement)	923	148
	Other non-current assets	-	42
		45,903	**42,352**
	Current assets		
	Financial assets		
	Loans	185	161
	Investments	914	1,165
	Trade receivables	11,941	9,681
	Cash and cash equivalents	5,417	8,539
	Other balances with banks	2,406	2,328
	Other financial assets	6,845	7,003
	Other current assets	994	779
		28,702	**29,656**
	Total assets	**74,605**	**72,008**
B	**EQUITY AND LIABILITIES**		
	Equity		
	Equity share capital	28,100	28,100
	Other equity	29,022	28,267
	Total equity	**57,122**	**56,367**
	Liabilities		
	Non-current liabilities		
	Financial liabilities		
	Lease liabilities	2,932	998
	Provisions	240	304
	Deferred tax liabilities (net)	6,789	6,742
		9,961	**8,044**
	Current liabilities		
	Financial liabilities		
	Lease liabilities	733	470
	Trade payables		
	- total outstanding dues of micro enterprises and small enterprises	119	276
	- total outstanding dues of creditors other than micro enterprises and small enterprises	1,176	1,396
	Other financial liabilities	1,935	1,491
	Other current liabilities	2,147	2,506
	Provisions	731	830
	Income tax liabilities (net)	681	628
		7,522	**7,597**
	Total liabilities	**17,483**	**15,641**
	Total equity and liabilities	**74,605**	**72,008**

SUBEX LIMITED BANGALORE-560 103

SUBEX LIMITED

Statement of consolidated cash flows for the six months ended September 30, 2022

(₹ in Lakhs)

	Particulars	Six months ended	
		September 30, 2022	September 30, 2021
		Unaudited	Unaudited
(A)	**Operating activities**		
	Profit/ (loss) before tax	(281)	2,816
	Adjustments to reconcile profit/ (loss) before tax to net cash flows:		
	Depreciation of property, plant and equipment and right-of-use assets	635	488
	Amortization of intangible assets	1	-
	Gain on disposal of property, plant and equipment (net)	(1)	-
	Interest income (including fair value changes)	(92)	(154)
	Fair value gain on financial instrument at fair value through profit or loss	-	(2)
	Net gain on sale of investment	(24)	(4)
	Finance costs (including fair value changes)	110	74
	Allowance for expected credit losses	1,063	336
	Expense on share based payment	143	60
	Gain on termination/ modification of lease agreement	(55)	(12)
	Waiver of borrowings (PPP Loan and interest)	-	(584)
	Net foreign exchange differences	1	(50)
	Operating profit before working capital changes	**1,500**	**2,968**
	Working capital adjustments:		
	(Increase)/ decrease in loans	39	67
	(Increase)/ decrease in trade receivables	(3,284)	1,721
	(Increase)/ decrease in other financial assets	98	(999)
	(Increase)/ decrease in other assets	(173)	(238)
	Increase/ (decrease) in trade payables	(337)	32
	Increase/ (decrease) in other financial liabilities	378	(1,501)
	Increase/ (decrease) in other current liabilities	(524)	(227)
	Increase/ (decrease) in provisions	(186)	116
		(2,489)	**1,939**
	Income tax paid (including TDS, net of refund)	(517)	(1,025)
	Net cash flows (used in)/ from operating activities	**(3,006)**	**914**
(B)	**Investing activities**		
	Purchase of property, plant and equipment	(343)	(351)
	Proceeds from sale of property, plant and equipment	1	-
	Investment in mutual fund	(4,625)	(748)
	Sale of investment	4,900	-
	Movement in margin money deposit	-	(19)
	Movement in other balances with bank	8	-
	Interest received	92	143
	Net cash flows (used in)/ from investing activities	**33**	**(975)**
(C)	**Financing activities**		
	Proceeds from exercise of ESOP	72	257
	Interest paid	(92)	(66)
	Repayment of Lease liability	(200)	(191)
	Payments of dividend	-	(1,346)
	Net cash flows used in financing activities	**(220)**	**(1,346)**
(D)	**Net (decrease)/ increase in cash and cash equivalents (A+B+C)**	**(3,193)**	**(1,407)**
	Net foreign exchange difference on cash & cash equivalents	71	(23)
	Cash and cash equivalents at the beginning of the period	8,539	14,294
(E)	**Cash and cash equivalents at the end of the period**	**5,417**	**12,864**

Notes:

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on November 14, 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 to date figures for the six months ended		Year ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total income	7,533	7,984	1,559	15,517	3,146	6,842
Net profit/ (loss) before tax	(1,107)	(1,107)	49	(2,214)	318	(447)
Net profit/ (loss) for the period/ year	(1,107)	46	49	(1,061)	318	(447)
Total comprehensive income/ (loss) for the period/ year	(1,107)	45	32	(1,062)	301	(450)

4 Employee benefits expenses for the quarters ended September 30, 2022, June 30, 2022, and September 30, 2021 are net of reversal of provision no longer required, in respect of employee incentives relating to sales and delivery commissions, amounting to ₹ 100 Lakhs, ₹ 185 Lakhs and ₹ 327 Lakhs, respectively, and for the six months ended September 30, 2022 and September 30, 2021 amounting to ₹ 285 Lakhs and ₹ 786 Lakhs, respectively and for the year ended March 31, 2022 amounting to ₹ 786 lakhs

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, and amount of ₹ 866 Lakhs was provided on a conservative basis as doubtful debts towards receivable from a customer. 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 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 during the qaurter ended June 30, 2022, the 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.

Place: Bengaluru
Date: November 14, 2022

Vinod Kumar Padmanabhan
Managing Director & CEO

SUBEX LIMITED BANGALORE-560 103

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