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, Bengaluru -560 103

Statement of Consolidated Financial Results for the quarter and year ended March 31, 2023

(₹ in Lakhs)

	Particulars	Quarter ended			Year Ended	
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		Audited	Unaudited	Audited	Audited	Audited
	Income					
1	Revenue from operations	4,727	7,366	7,880	27,869	33,344
2	Other income (Refer note 6)	372	81	200	816	1,037
3	**Total income (1+2)**	**5,099**	**7,447**	**8,080**	**28,685**	**34,381**
	Expenses					
	Employee benefits expense (Refer note 4)	4,967	4,743	5,412	20,069	21,449
	Finance costs	72	76	32	258	194
	Depreciation and amortization expense	382	381	248	1,399	988
	Other expenses	3,436	2,114	2,367	10,865	8,381
4	**Total expenses**	**8,857**	**7,314**	**8,059**	**32,591**	**31,012**
5	**Net profit/(loss) before tax (3-4)**	**(3,758)**	**133**	**21**	**(3,906)**	**3,369**
6	**Tax expense, net**					
	Current tax charge/ (reversal)	(134)	124	(165)	89	251
	MAT credit entitlement/ (reversal)	183	(115)	135	-	(141)
	Provision - foreign income taxes	897	484	85	1,660	593
	Deferred tax charge/(credit) (Refer note 7)	14	108	(95)	(534)	567
	Total tax expense	**960**	**601**	**(40)**	**1,215**	**1,270**
7	**Net profit/(loss) for the period/ year (5-6)**	**(4,718)**	**(468)**	**61**	**(5,121)**	**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	(26)	138	204	581	267
	Items that will not be reclassified subsequently to profit or loss					
	Re-measurement (loss)/ gain on defined benefit plan	1	16	41	39	(64)
	Total other comprehensive income/ (loss)	**(25)**	**154**	**245**	**620**	**203**
9	**Total comprehensive income/ (loss) for the period/ year (7+8)**	**(4,743)**	**(314)**	**306**	**(4,501)**	**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
11	Other equity	-	-	-	24,084	28,267
12	Earnings/ (Loss) per share (of ₹ 5/- each) (not annualised in case of the interim periods)					
	- Basic	(0.86)	(0.08)	0.01	(0.93)	0.38
	- Diluted	(0.86)	(0.08)	0.01	(0.93)	0.38

SUBEX LIMITED ★ BANGALORE-5

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, 2023 Audited	As at March 31, 2022 Audited
A	**ASSETS**		
	Non-current assets		
	Property, plant and equipment	967	959
	Right-of-use assets	3,158	1,386
	Goodwill on consolidation	34,409	34,409
	Intangible assets	11	14
	Financial assets		
	Investments	165	-
	Other financial assets	818	447
	Income tax asset (net)	3,793	4,947
	Deferred tax asset (net) (including MAT credit entitlement)	843	148
	Other non-current assets	49	42
		44,213	42,352
	Current assets		
	Financial assets		
	Loans	134	161
	Investments	1,222	1,165
	Trade receivables	9,037	9,681
	Cash and cash equivalents	5,238	8,539
	Other balances with banks	5,677	2,328
	Other financial assets	4 051	7,003
	Other current assets	790	779
		26,149	29,656
	Total assets	70,362	72,008
B	**EQUITY AND LIABILITIES**		
	Equity		
	Equity share capital	28,100	28,100
	Other equity	24,084	28,267
	Total equity	52,184	56,367
	Liabilities		
	Non-current liabilities		
	Financial liabilities		
	Lease liabilities	2,475	998
	Provisions	222	304
	Deferred tax liabilities (net)	6,904	6,742
		9,601	8,044
	Current liabilities		
	Financial liabilities		
	Lease liabilities	864	470
	Trade payables		
	- total outstanding dues of micro enterprises and small enterprises	165	276
	- total outstanding dues of creditors other than micro enterprises and small enterprises	1,097	1,396
	Other financial liabilities	1,903	1,491
	Other current liabilities	3,147	2,506
	Provisions	663	830
	Income tax liabilities (net)	738	628
		8,577	7,597
	Total liabilities	18,178	15,641
	Total equity and liabilities	70,362	72,008

SUBEX LIMITED ★ BANGALORE-560 103 ★

SUBEX LIMITED

Consolidated statement of cash flows for the year ended March 31, 2023

(₹ in Lakhs)

	Particulars	Year ended	
		March 31, 2023	March 31, 2022
		Audited	Audited
(A)	**Cash flow from operating activities**		
	Profit/ (loss) before tax	(3,906)	3,369
	Adjustments to reconcile profit/ (loss) before tax to net cash flows:		
	Depreciation of property, plant and equipment and right-of-use assets	1,396	987
	Amortization of intangible assets	3	1
	Gain on disposal of property, plant and equipment (net)	(3)	-
	Interest income (including fair value changes)	(250)	(266)
	Fair value gain on financial instrument at fair value through profit or loss	-	(7)
	Net gain on sale of investment	(62)	(15)
	Finance costs (including fair value changes)	255	194
	Allowance for expected credit losses	1,991	536
	Expense on share based payment	231	137
	Gain on termination/ modification of lease agreement	(55)	(12)
	Waiver of borrowings (PPP Loan and interest)	-	(584)
	Net foreign exchange differences	(407)	(165)
	Operating (loss)/ profit before working capital changes	**(807)**	**4,175**
	Working capital adjustments:		
	(Increase)/ decrease in loans	50	76
	(Increase)/ decrease in trade receivables	(328)	(27)
	(Increase)/ decrease in other financial assets	2,940	(1,006)
	(Increase)/ decrease in other assets	(14)	(185)
	Increase/ (decrease) in trade payables	(747)	329
	Increase/ (decrease) in other financial liabilities	299	(1,375)
	Increase/ (decrease) in other current liabilities	331	(485)
	Increase/ (decrease) in provisions	(293)	(34)
		1,430	**1,468**
	Income tax paid (including TDS, net of refund)	(505)	(2,278)
	Net cash flows from/ (used in) operating activities	**925**	**(810)**
(B)	**Cash flow from investing activities**		
	Purchase of property, plant and equipment	(493)	(540)
	Proceeds from sale of property, plant and equipment	4	-
	Investments in mutual fund	(10,405)	(9,672)
	Investments in equity instruments	(165)	-
	Proceeds from sale of investments in mutual fund	10,411	8,529
	Net investment in deposit account	(3,323)	(2,111)
	Interest received	190	260
	Net cash flows/ (used in) from investing activities	**(3,781)**	**(3,534)**
(C)	**Cash flow from financing activities**		
	Proceeds from exercise of ESOP	101	440
	Interest paid on lease liability	(220)	(178)
	Repayment of Lease liability	(532)	(389)
	Payments of dividend	-	(1,405)
	Net cash flows used in financing activities	**(651)**	**(1,532)**
(D)	**Net (decrease)/ increase in cash and cash equivalents (A+B+C)**	**(3,507)**	**(5,876)**
	Net foreign exchange difference on cash & cash equivalents	206	121
	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**	**5,238**	**8,539**

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 15, 2023

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	
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
	Audited	Unaudited	Audited	Audited	Audited
Total income	5,014	7,063	1,632	27,594	6,842
Net loss before tax	(5,091)	(394)	(674)	(7,699)	(447)
Net loss for the period/ year	(5,320)	(495)	(674)	(6,876)	(447)
Total comprehensive loss for the period/ year	(5,300)	(495)	(652)	(6,857)	(450)

4 Employee benefits expenses for the quarters ended March 31, 2023, December 31, 2022, and March 31, 2022 are net of reversal of provision no longer required, in respect of employee incentives relating to sales and delivery commissions, amounting to ₹ 66 Lakhs, ₹ 153 Lakhs and ₹ 161 Lakhs respectively, and that for the year ended March 31, 2023 and March 31, 2022 amounting to ₹ 344 Lakhs and ₹ 786 Lakhs, respectively

5 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.

6 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 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

7 Pursuant to approval of the Board of Directors and Shareholders of the Company for restructuring of the business, effective April 1, 2022, certain assets and liabilities of Subex Assurance LLP ("SALLP"), wholly owned subsidiary, were transferred to the Company for an aggregate consideration of ₹ 9,229 Lakhs. The aforesaid restructuring was being carried out to achieve higher operational efficiencies upon integration and consolidation of business in the listed entity. SALLP will continue to hold revenue maximisation solutions intellectual property rights ("IPR") & related research and development unit, investment in subsidiaries, cash and bank balances and other related balances. SALLP will earn royalty on use of such IPR by the Company. Consequent to the aforesaid restructuring during the quarter ended June 30, 2022, the management recognised deferred tax assets of ₹ 702 Lakhs, being reasonably certain that sufficient future taxable profits would be available. As at year end, the company has reassessed availability of future taxable profits and is confident of utilisation of aforesaid deferred tax asset. In respect of remaining unused tax losses, management would reassess and recognise when it's probable that taxable profits would be available against which such tax losses can be recognised

8 The management has carried out the annual impairment exercise in respect of carrying value of goodwill and basis valuation carried out by an external expert concluded that carrying value of investment in subsidiaries is appropriate considering future projections, various new initiatives, contracted backlog and the current pipeline maturity

Place: Bengaluru
Date: May 15, 2023

George Zacharias
Independent Director

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, Bengaluru -560 103

Statement of Standalone Financial Results for quarter and year ended March 31, 2023

(₹ in Lakhs)

	Particulars	Quarter ended			Year ended	
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		Audited	Unaudited	Audited (Refer note 5)	Audited	Audited (Refer note 5)
	Income					
1	Revenue from operations	4,948	7,019	1,630	27,352	6,836
2	Other income	66	44	2	242	6
3	**Total income (1+2)**	**5,014**	**7,063**	**1,632**	**27,594**	**6,842**
	Expenses					
	Employee benefits expense	3,031	2,981	1,054	12,191	4,293
	Finance costs	65	71	3	230	12
	Depreciation and amortization expense	330	329	39	1,187	163
	Share of loss from Limited Liability Partnerships (net) (refer note 3)	1,266	713	798	3,159	1,273
	Other expenses	5,413	3,363	412	18,526	1,548
4	**Total expenses**	**10,105**	**7,457**	**2,306**	**35,293**	**7,289**
5	**Net loss before tax (3-4)**	**(5,091)**	**(394)**	**(674)**	**(7,699)**	**(447)**
6	**Tax expense, net**					
	Current tax charge/ (reversal)	(183)	115	25	-	141
	MAT credit entitlement/ (reversal)	183	(115)	(25)	-	(141)
	Provision - foreign income taxes	223	101	-	324	-
	Deferred tax charge/ (credit) (refer note 5)	6	-	-	(1,147)	-
	Total tax expense	**229**	**101**	**-**	**(823)**	**-**
7	**Net loss for the period/ year (5-6)**	**(5,320)**	**(495)**	**(674)**	**(6,876)**	**(447)**
8	**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	20	-	22	19	(3)
9	**Total comprehensive loss for the period/ year (7+8)**	**(5,300)**	**(495)**	**(652)**	**(6,857)**	**(450)**
10	Paid up equity share capital [face value of ₹ 5 (March 31, 2022 ₹ 5)]	28,100	28,100	28,100	28,100	28,100
11	Other equity				14,287	20,826
12	Earnings/ (Loss) per share (of ₹ 5/- each) (not annualised in case of the interim periods)					
	- Basic	(0.97)	(0.09)	(0.12)	(1.25)	(0.08)
	- Diluted	(0.97)	(0.09)	(0.12)	(1.25)	(0.08)

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 Standalone Assets and Liabilities

(₹ in Lakhs)

	Particulars	As at March 31, 2023 Audited	As at March 31, 2022 Audited (Refer Note 5)
A	**ASSETS**		
	Non-current assets		
	Property, plant and equipment	715	29
	Right-of-use assets	2,817	36
	Intangible assets	525	650
	Financial assets		
	Investments	33,951	42,761
	Other financial assets	653	26
	Income tax asset (net)	2,941	2,903
	Deferred tax asset (net) (including MAT credit entitlement)	1,283	141
	Other non-current assets	41	12
		42,926	46,558
	Current assets		
	Financial assets		
	Investments	604	-
	Loans	88	30
	Trade receivables	10,883	5,824
	Cash and cash equivalents	2,448	802
	Other balances with banks	2,112	75
	Other financial assets	1,147	1,012
	Other current assets	360	63
		17,642	7,806
	Total assets	60,568	54,364
B	**EQUITY AND LIABILITIES**		
	Equity		
	Equity share capital	28,100	28,100
	Other equity	14,287	20,826
	Total equity	42,387	48,926
	Liabilities		
	Non-current liabilities		
	Financial liabilities		
	Lease liabilities	2,281	27
	Provisions	74	100
		2,355	127
	Current liabilities		
	Financial liabilities		
	Lease liabilities	685	11
	Trade payables		
	- total outstanding dues of micro enterprises and small enterprises	141	134
	- total outstanding dues of creditors other than micro enterprises and small enterprises	8,043	1,031
	Other financial liabilities	5,724	3,767
	Other current liabilities	825	104
	Provisions	305	122
	Income tax liabilities (net)	103	142
		15,826	5,311
	Total liabilities	18,181	5,438
	Total equity and liabilities	60,568	54,364

SUBEX LIMITED ★ BANGALORE 560 103

SUBEX LIMITED

Standalone statement of cash flows for the Year ended March 31, 2023

(₹ in Lakhs)

	Particulars	Year ended March 31, 2023 Audited	Year ended March 31, 2022 Audited (Refer note 5)
(A)	**Cash flow from Operating activities**		
	Loss before tax	(7,699)	(447)
	Adjustments to reconcile loss before tax to net cash flows:		
	Depreciation of property, plant and equipment and right-of-use assets	1,062	38
	Amortization of intangible assets	125	125
	Expense on employee share based payments	209	7
	Interest income (including fair value changes)	(118)	(4)
	Net gain on sale of investments	(41)	(1)
	Finance costs (including fair value changes)	227	12
	Allowance for expected credit losses	2,315	-
	Gain on disposal of PPE	(2)	-
	Share of loss from Limited Liability Partnerships (net)	3,159	1,273
	Net foreign exchange differences	(178)	93
	Operating (loss)/ profit before working capital changes	**(941)**	**1,096**
	Working capital adjustments:		
	(Increase)/ decrease in loans	(8)	(4)
	(Increase)/ decrease in trade receivables	3,710	(3,619)
	(Increase)/ decrease in other financial assets	(1,332)	(43)
	(Increase)/ decrease in other assets	45	(12)
	Increase/ (decrease) in trade payables	3,013	824
	Increase/ (decrease) in other financial liabilities	468	(50)
	Increase/ (decrease) in other current liabilities	13	71
	Increase/ (decrease) in provisions	(27)	5
		4,941	**(1,732)**
	Income tax paid (including TDS, net of refund)	(396)	(137)
	Net cash flows from/ (used in) operating activities	**4,545**	**(1,869)**
(B)	**Cash flow from investing activities**		
	Purchase of property, plant and equipment	(333)	-
	Proceeds from sale of property, plant and equipment	4	-
	Drawings from limited liability partnerships	9,200	9,074
	Share of loss paid to limited liability partnership	(1,185)	(5,750)
	Proceeds from sale of investments in mutual fund	6,567	2,875
	Investments in mutual fund	(7,130)	(2,876)
	Investments in equity instruments	(165)	-
	Investments in subsidiary	(225)	-
	Purchase consideration for business restructuring	(9,229)	-
	Net investment in deposit account	-	(75)
	Interest received	63	3
	Net cash flows (used in)/ from investing activities	**(2,433)**	**3,251**
(C)	**Cash flow from financing activities**		
	Proceeds from exercise of ESOP	101	440
	Interest on lease liability	(199)	(4)
	Repayment of lease liability	(368)	(8)
	Payments of dividend	-	(1,405)
	Net cash flows used in financing activities	**(466)**	**(977)**
(D)	**Net increase in cash and cash equivalents (A+B+C)**	**1,646**	**405**
	Cash and cash equivalents at the beginning of the period	802	397
(E)	**Cash and cash equivalents at the end of the period**	**2,448**	**802**

SUBEX LIMITED BANGALORE-560

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 15, 2023

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, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
	Audited	Unaudited	Audited (Refer note 5)	Audited	Audited (Refer note 5)
Share of profit/(loss) from Subex Assurance LLP	(762)	(208)	(235)	(806)	1,353
Share of loss from Subex Digital LLP	(504)	(505)	(563)	(2,353)	(2,626)
Total	**(1,266)**	**(713)**	**(798)**	**(3,159)**	**(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 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 Pursuant to approval of the Board of Directors and Shareholders of the Company for restructuring of the business, effective April 1, 2022, certain assets and liabilities of Subex Assurance LLP ("SALLP"), wholly owned subsidiary, were transferred to the Company for an aggregate consideration of ₹ 9,229 Lakhs. The aforesaid restructuring was being carried out to achieve higher operational efficiencies upon integration and consolidation of business in the listed entity. SALLP will continue to hold revenue maximisation solutions intellectual property rights ("IPR") & related research and development unit, investment in subsidiaries, cash and bank balances and other related balances. SALLP will earn royalty on use of such IPR by the Company. Consequent to the aforesaid restructuring during the quarter ended June 30, 2022, the management recognised deferred tax assets of ₹ 1,147 Lakhs, being reasonably certain that sufficient future taxable profits would be available. As at year end, the company has reassessed availability of future taxable profits and is confident of utilisation of aforesaid deferred tax asset. In respect of remaining unused tax losses, management would reassess and recognise when it's probable that taxable profits would be available against which such tax losses can be recognised

6 The management has carried out the annual impairment exercise in respect of its carrying value of investment in subsidiaries and basis valuation carried out by an external expert concluded that carrying value of investment in subsidiaries is appropriate considering future projections, various new initiatives, contracted backlog and the current pipeline maturity

Place: Bengaluru
Date: May 15, 2023

George Zacharias
Independent Director

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

SUBEX LIMITED BANGALORE-560103