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 unaudited standalone financial results for quarter and six months ended September 30, 2023

(₹ in Lakhs)

	Particulars	Quarter ended			Year to date figures for the six months ended		Year ended
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Income						
1	Revenue from operations	6,686	6,491	7,442	13,177	15,385	27,352
2	Other income	39	57	91	96	132	242
3	**Total income (1+2)**	**6,725**	**6,548**	**7,533**	**13,273**	**15,517**	**27,594**
	Expenses						
	Employee benefits expense	3,042	3,009	3,014	6,051	6,179	12,191
	Finance costs	59	65	73	124	94	230
	Depreciation and amortization expense	368	334	325	702	528	1,187
	Share of loss from Limited Liability Partnerships (net) (refer note 3)	591	379	872	970	1,180	3,159
	Other expenses	4,191	4,575	4,356	8,766	9,750	18,526
4	**Total expenses**	**8,251**	**8,362**	**8,640**	**16,613**	**17,731**	**35,293**
5	**Loss before tax (3-4)**	**(1,526)**	**(1,814)**	**(1,107)**	**(3,340)**	**(2,214)**	**(7,699)**
6	**Tax expense, net**						
	Current tax charge/ (reversal)	-	-	(41)	-	68	-
	MAT credit entitlement/ (reversal)	-	-	41	-	(68)	-
	Provision - foreign income taxes	64	69	-	133	-	324
	Deferred tax charge/ (credit) (refer note 6)	-	-	-	-	(1,153)	(1,147)
	Total tax expense	**64**	**69**	**-**	**133**	**(1,153)**	**(823)**
7	**Net Loss for the period/ year (5-6)**	**(1,590)**	**(1,883)**	**(1,107)**	**(3,473)**	**(1,061)**	**(6,876)**
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	(2)	7	-	5	(1)	19
9	**Total comprehensive loss for the period/ year (7+8)**	**(1,592)**	**(1,876)**	**(1,107)**	**(3,468)**	**(1,062)**	**(6,857)**
10	Paid up equity share capital [face value of ₹ 5 per share (March 31, 2023: ₹ 5 per share)]	28,100	28,100	28,100	28,100	28,100	28,100
11	Other equity	-	-	-		-	14,287
12	Earnings per share (of ₹ 5/- each) (not annualised in case of the interim periods)						
	- Basic (₹)	(0.29)	(0.34)	(0.20)	(0.63)	(0.19)	(1.25)
	- Diluted (₹)	(0.29)	(0.34)	(0.20)	(0.63)	(0.19)	(1.25)

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, 2023	As at March 31, 2023
		Unaudited	Audited
A	**ASSETS**		
	Non-current assets		
	Property, plant and equipment	631	715
	Right-of-use assets	2,682	2,817
	Intangible assets	463	525
	Financial assets		
	Investments	33,951	33,951
	Other financial assets	669	653
	Income tax asset (net)	2,872	2,941
	Deferred tax asset (net) (including MAT credit entitlement)	1,283	1,283
	Other non-current assets	81	41
		42,632	**42,926**
	Current assets		
	Financial assets		
	Investments	642	604
	Loans	78	88
	Trade receivables	12,619	10,883
	Cash and cash equivalents	1,381	2,448
	Other balances with banks	700	2,112
	Other financial assets	938	1,147
	Other current assets	547	360
		16,905	**17,642**
	Total assets	**59,537**	**60,568**
B	**EQUITY AND LIABILITIES**		
	Equity		
	Equity share capital	28,100	28,100
	Other equity	11,005	14,287
	Total equity	**39,105**	**42,387**
	Liabilities		
	Non-current liabilities		
	Financial liabilities		
	Lease liabilities	2,141	2,281
	Provisions	75	74
		2,216	**2,355**
	Current liabilities		
	Financial liabilities		
	Lease liabilities	788	685
	Trade payables		
	- total outstanding dues of micro enterprises and small enterprises	75	141
	- total outstanding dues of creditors other than micro enterprises and small enterprises	10,695	8,043
	Other financial liabilities	5,403	5,724
	Other current liabilities	948	825
	Provisions	307	305
	Income tax liabilities (net)	-	103
		18,216	**15,826**
	Total liabilities	**20,432**	**18,181**
	Total equity and liabilities	**59,537**	**60,568**

SUBEX LIMITED
Standalone statement of cash flows for the six months ended September 30, 2023

(₹ in Lakhs)

	Particulars	Six months ended September 30, 2023 Unaudited	Six months ended September 30, 2022 Unaudited
(A)	**Cash flow from operating activities**		
	Loss before tax	(3,340)	(2,214)
	Adjustments to reconcile loss before tax to net cash flows:		
	Depreciation of property, plant and equipment and right-of-use assets	639	465
	Amortization of intangible assets	63	63
	Employee share based payments	45	129
	Interest income (including fair value changes)	(79)	(34)
	Net gain on sale of investment (including fair value changes)	(17)	(19)
	Finance costs (including fair value changes)	124	94
	Allowance for expected credit losses (net)	97	1,431
	Share of loss from Limited Liability Partnerships (net)	970	1,180
	Net foreign exchange differences	436	(373)
	Operating (loss)/ profit before working capital changes	**(1,062)**	**722**
	Working capital adjustments:		
	(Increase)/ decrease in loans	10	(46)
	(Increase)/ decrease in trade receivables	(1,946)	(2,480)
	(Increase)/ decrease in other financial assets	10	247
	(Increase)/ decrease in other assets	(227)	13
	Increase/ (decrease) in trade payables	2,258	5,115
	Increase/ (decrease) in other financial liabilities	105	499
	Increase/ (decrease) in other current liabilities	123	(170)
	Increase/ (decrease) in provisions	2	(36)
		(727)	**3,864**
	Income tax paid (net of refund)	(167)	(100)
	Net cash flows from/ (used in) operating activities	**(894)**	**3,764**
(B)	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, other intangible assets and capital advances	(201)	(213)
	Drawings from limited liability partnerships	-	9,200
	Share of loss paid to limited liability partnership	(1,142)	(350)
	Investment in mutual funds (net of sale proceeds)	(21)	(822)
	Purchase consideration for business restructuring	-	(9,229)
	Net withdrawal/ (investment) in deposit account	1,419	-
	Interest received	75	11
	Net cash flows (used in)/ from investing activities	**130**	**(1,403)**
(C)	**Cash flow from financing activities**		
	Proceeds from exercise of employee stock options plans	138	72
	Interest paid	(118)	(80)
	Repayment of principal portion of lease liabilities	(323)	(121)
	Net cash flows used in financing activities	**(303)**	**(129)**
(D)	**Net increase in cash and cash equivalents (A+B+C)**	**(1,067)**	**2,232**
	Cash and cash equivalents at the beginning of the period	2,448	802
(E)	**Cash and cash equivalents at the end of the period**	**1,381**	**3,034**

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 08, 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") prescribe 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 ended**		**Year ended**
	September 30, 2023	**June 30, 2023**	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**	**March 31, 2023**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**	**Audited**
Share of profit/(loss) from Subex Assurance LLP	(117)	(70)	42	(187)	164	(806)
Share of loss from Subex Digital LLP	(474)	(309)	(914)	(783)	(1,344)	(2,353)
Total	**(591)**	**(379)**	**(872)**	**(970)**	**(1,180)**	**(3,159)**

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 As at March 31, 2023, the Company assessed and concluded, basis valuation carried out by an external expert, that the carrying value of investments in its subsidiaries to be appropriate considering future projections, various new initiatives, contracted backlog and the current pipeline maturity.There is no change in the management's assessment as regards the aforesaid carrying value of investments in its subsidiaries as at September 30, 2023.

6 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 six months ended September 30,2023, 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.

Anil Singhvi
Chairman, Non-Executive Non-Independent Director
DIN: 00239589

Place: Mumbai
Date: November 08, 2023

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, Bengaluru -560 103

Statement of unaudited consolidated financial results for the quarter and six months ended September 30, 2023

(₹ in Lakhs)

	Particulars	Quarter ended			Year to date figures for the six months ended		Year ended
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Income						
1	Revenue from operations	7,681	6,729	7,450	14,410	15,776	27,869
2	Other income	128	135	98	263	363	816
3	**Total income (1+2)**	**7,809**	**6,864**	**7,548**	**14,673**	**16,139**	**28,685**
	Expenses						
	Employee benefits expense	5,437	5,430	5,203	10,867	10,359	20,069
	Finance costs	66	70	82	136	110	258
	Depreciation and amortization expense	420	387	375	807	636	1,399
	Other expenses	2,701	2,773	2,216	5,474	5,315	10,865
4	**Total expenses**	**8,624**	**8,660**	**7,876**	**17,284**	**16,420**	**32,591**
5	**Loss before tax (3-4)**	**(815)**	**(1,796)**	**(328)**	**(2,611)**	**(281)**	**(3,906)**
6	**Tax expense, net**						
	Current tax charge/ (reversal)	14	5	(21)	19	100	89
	MAT credit entitlement/ (reversal)	-	-	41	-	(68)	-
	Provision - foreign income taxes	159	145	144	304	279	1,660
	Deferred tax charge/(credit) (refer note 5)	117	(18)	(2)	99	(656)	(534)
	Total tax expense	**290**	**132**	**162**	**422**	**(345)**	**1,215**
7	**Net profit/(loss) for the period/ year (5-6)**	**(1,105)**	**(1,928)**	**(490)**	**(3,033)**	**64**	**(5,121)**
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	54	(21)	169	33	469	581
	Items that will not be reclassified subsequently to profit or loss:						
	Re-measurement (loss)/ gain on defined benefit plan	(16)	6	38	(10)	22	39
	Total other comprehensive income/ (loss)	**38**	**(15)**	**207**	**23**	**491**	**620**
9	**Total comprehensive income/ (loss) for the period/ year (7+8)**	**(1,067)**	**(1,943)**	**(283)**	**(3,010)**	**555**	**(4,501)**
10	Paid up equity share capital [face value of ₹ 5 per share (March 31, 2023: ₹ 5 per share)]	28,100	28,100	28,100	28,100	28,100	28,100
11	Other equity	-	-	-	-	-	24,084
12	Earnings per share (of ₹ 5/- each) (not annualised in case of the interim periods)						
	- Basic (₹)	(0.20)	(0.35)	(0.09)	(0.55)	0.01	(0.93)
	- Diluted (₹)	(0.20)	(0.35)	(0.09)	(0.55)	0.01	(0.93)

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, 2023	March 31, 2023
		Unaudited	Audited
A	**ASSETS**		
	Non-current assets		
	Property, plant and equipment	808	967
	Right-of-use assets	2,939	3,158
	Goodwill on consolidation	34,409	34,409
	Intangible assets	9	11
	Financial assets		
	Investments	165	165
	Other financial assets	837	818
	Income tax asset (net)	3,760	3,793
	Deferred tax asset (net) (including MAT credit entitlement)	839	843
	Other non-current assets	80	49
		43,846	**44,213**
	Current assets		
	Financial assets		
	Loans	138	134
	Investments	979	1,222
	Trade receivables	9,774	9,037
	Cash and cash equivalents	4,023	5,238
	Other balances with banks	5,132	5,677
	Other financial assets	3,783	4,051
	Other current assets	984	790
		24,813	**26,149**
	Total assets	**68,659**	**70,362**
B	**EQUITY AND LIABILITIES**		
	Equity		
	Equity share capital	28,100	28,100
	Other equity	21,260	24,084
	Total equity	**49,360**	**52,184**
	Liabilities		
	Non-current liabilities		
	Financial liabilities		
	Lease liabilities	2,241	2,475
	Provisions	248	222
	Deferred tax liabilities (net)	6,999	6,904
		9,488	**9,601**
	Current liabilities		
	Financial liabilities		
	Lease liabilities	975	864
	Trade payables		
	- total outstanding dues of micro enterprises and small enterprises	112	165
	- total outstanding dues of creditors other than micro enterprises and small enterprises	1,439	1,097
	Other financial liabilities	2,435	1,903
	Other current liabilities	3,571	3,147
	Provisions	686	663
	Income tax liabilities (net)	593	738
		9,811	**8,577**
	Total liabilities	**19,299**	**18,178**
	Total equity and liabilities	**68,659**	**70,362**

SUBEX LIMITED

Consolidated statement of cash flows for the six months ended September 30, 2023

(₹ in Lakhs)

	Particulars	Six months ended	
		September 30, 2023	September 30, 2022
		Unaudited	Unaudited
(A)	**Cash flow from operating activities**		
	Loss before tax	(2,611)	(281)
	Adjustments to reconcile loss before tax to net cash flows:		
	Depreciation of property, plant and equipment and right-of-use assets	805	635
	Amortization of intangible assets	2	1
	Gain on disposal of property, plant and equipment (net)	-	(1)
	Interest income (including fair value changes)	(224)	(92)
	Net gain on sale of investment (including fair value changes)	(39)	(24)
	Finance costs (including fair value changes)	136	110
	Allowance for expected credit losses	510	1,063
	Employee share based payments	48	143
	Gain on termination/ modification of lease agreement	-	(55)
	Net foreign exchange differences	238	1
	Operating (loss)/ profit before working capital changes	**(1,135)**	**1,500**
	Working capital adjustments:		
	(Increase)/ decrease in loans	(1)	39
	(Increase)/ decrease in trade receivables	(1,451)	(3,284)
	(Increase)/ decrease in other financial assets	336	98
	(Increase)/ decrease in other assets	(228)	(173)
	Increase/ (decrease) in trade payables	298	(337)
	Increase/ (decrease) in other financial liabilities	591	378
	Increase/ (decrease) in other current liabilities	398	(524)
	Increase/ (decrease) in provisions	24	(186)
		(1,168)	**(2,489)**
	Income tax paid (net of refund)	(433)	(517)
	Net cash flows used in operating activities	**(1,601)**	**(3,006)**
(B)	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, other intangible assets and capital advances	(206)	(343)
	Proceeds from sale of property, plant and equipment	-	1
	Proceeds from sale of investments in mutual fund (net)	282	275
	Net withdrawal/ (investment) in deposit account	545	8
	Interest received	165	92
	Net cash flows/ (used in) from investing activities	**786**	**33**
(C)	**Cash flow from financing activities**		
	Proceeds from exercise of employee stock options plans	138	72
	Interest paid	(125)	(92)
	Repayment of principal portion of lease liabilities	(411)	(200)
	Net cash flows used in financing activities	**(398)**	**(220)**
(D)	**Net (decrease)/ increase in cash and cash equivalents (A+B+C)**	**(1,213)**	**(3,193)**
	Net foreign exchange difference on cash and cash equivalents	(2)	71
	Cash and cash equivalents at the beginning of the period	5,238	8,539
(E)	**Cash and cash equivalents at the end of the period**	**4,023**	**5,417**

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 08, 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 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.

4 As at March 31, 2023, the Group assessed and concluded, basis valuation carried out by an external expert, that the carrying value of goodwill to be appropriate considering future projections, various new initiatives, contracted backlog and the current pipeline maturity. There is no change in the management’s assessment as regards the aforesaid carrying value of goodwill as at September 30, 2023.

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 ₹ 702 Lakhs, being reasonably certain that sufficient future taxable profits would be available. As at six months ended September 30, 2023, the Company had 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.

Place: Mumbai
Date: November 08, 2023

Anil Singhvi
Chairman, Non-Executive Non-Independent Director
DIN: 00239589

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