

**SUBEX LIMITED**

Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 103

**Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2019**

(₹ in Lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	Unaudited	Audited (Refer note 9)	Unaudited	Audited
<b>Income</b>				
1 Revenue from operations	219	514	646	1,916
2 Share of profit from Limited Liability Partnerships (Refer note 3)	287	492	-	165
3 Other income	10	7	1	10
<b>4 Total income (1+2+3)</b>	<b>516</b>	<b>1,013</b>	<b>647</b>	<b>2,091</b>
<b>5 Expenses</b>				
(a) Employee benefits expense	173	174	183	739
(b) Finance costs	8	2	1	4
(c) Depreciation and amortisation expense	170	153	156	625
(d) Marketing and allied service charges	134	130	120	513
(e) Exchange fluctuation loss/ (gain), net	(25)	175	(115)	39
(f) Share of loss from Limited Liability Partnerships (Refer note 3)	445	402	931	1,765
(g) Other expenses	123	125	344	861
<b>Total expenses</b>	<b>1,028</b>	<b>1,161</b>	<b>1,620</b>	<b>4,546</b>
<b>6 Net loss before tax expense (4-5)</b>	<b>(512)</b>	<b>(148)</b>	<b>(973)</b>	<b>(2,455)</b>
<b>7 Tax expense, net</b>				
Provision/ (reversal) - foreign withholding taxes (Refer note 5)	-	(3)	-	(2)
<b>Total tax expense</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>(2)</b>
<b>8 Net loss for the period/ year (6-7)</b>	<b>(512)</b>	<b>(145)</b>	<b>(973)</b>	<b>(2,453)</b>
<b>9 Other comprehensive income, net of tax expense</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Re-measurement (loss)/ gain on defined benefits plan	(1)	4	(1)	(3)
<b>10 Total comprehensive income for the period/ year (8+9)</b>	<b>(513)</b>	<b>(141)</b>	<b>(974)</b>	<b>(2,456)</b>
11 Paid up equity share capital [face value of ₹ 10 (March 31, 2019: ₹ 10)]	56,200	56,200	56,200	56,200
12 Other equity	-	-	-	14,949
13 Loss per share (of ₹ 10/- each) (not annualised in case of the interim periods):				
(a) - Basic	(0.09)	(0.03)	(0.17)	(0.44)
(b) - Diluted	(0.09)	(0.03)	(0.17)	(0.44)

**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 12, 2019.
- 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 profit/ (loss) from Limited Liability Partnerships are as follows:

(₹ in Lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	Unaudited	Audited (Refer note 9)	Unaudited	Audited
Share of profit from Subex Assurance LLP	287	492	(475)	165
Share of loss from Subex Digital LLP	(445)	(402)	(456)	(1,765)
<b>Total</b>	<b>(158)</b>	<b>90</b>	<b>(931)</b>	<b>(1,600)</b>

- 4 As at March 31, 2019, the Company assessed and concluded the carrying value of its investments in its subsidiaries, to be appropriate, basis the valuation carried out by an external valuer. There is no change in the management's assessment as regards the aforementioned carrying value of its investments in its subsidiaries as at June 30, 2019.
- 5 Represents provision in respect of withholding taxes deducted/ deductible by the overseas customers of the Company.
- 6 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.
- 7 Subex Employee Welfare and ESOP Benefit Trust (hereinafter referred to as the "ESOP Trust"), registered and authorised to acquire shares of the Company through secondary market for providing share-based payments to its employees, is consolidated in the standalone financial results of the Company and the shares reacquired and held by ESOP Trust are treated as treasury shares and recognised at cost and deducted from other equity.
- 8 Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹311 Lakhs and a lease liability of ₹326 Lakhs. The cumulative effect of applying the standard resulted in ₹32 Lakhs being debited to retained earnings, net of taxes.
- 9 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, 2019 and the published unaudited year to date figures for the nine months ended December 31, 2018.

Place: Bengaluru  
Date: August 12, 2019

Vinod Kumar Padmanabhan  
Managing Director & CEO

*For further details on the results, please visit our website: [www.subex.com](http://www.subex.com)*

**SUBEX LIMITED**

Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560 103  
**Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2019**

(₹ in Lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	Unaudited	Audited (Refer note 11)	Unaudited	Audited
<b>Income</b>				
1 Revenue from operations	7,895	10,187	7,591	34,812
2 Other income	36	40	17	101
<b>3 Total income (1+2)</b>	<b>7,931</b>	<b>10,227</b>	<b>7,608</b>	<b>34,913</b>
<b>Expenses</b>				
(a) Employee benefits expense (Refer note 4)	4,309	4,875	4,505	19,105
(b) Finance costs	150	54	62	216
(c) Depreciation and amortisation expense	371	138	107	483
(d) Exchange fluctuation (gain)/ loss, net	(259)	512	(528)	(171)
(e) Other expenses	2,068	2,618	2,638	10,572
<b>Total expenses</b>	<b>6,639</b>	<b>8,197</b>	<b>6,784</b>	<b>30,205</b>
<b>5 Net profit before tax expense (3-4)</b>	<b>1,292</b>	<b>2,030</b>	<b>824</b>	<b>4,708</b>
<b>6 Tax expense, net</b>				
Current tax charge	1	98	70	274
Provision - foreign withholding taxes (Refer note 6)	223	240	210	885
Deferred tax charge (Refer note 7)	540	402	149	1,027
<b>Total tax expense</b>	<b>764</b>	<b>740</b>	<b>429</b>	<b>2,186</b>
<b>7 Net profit for the period/ year (5-6)</b>	<b>528</b>	<b>1,290</b>	<b>395</b>	<b>2,522</b>
<b>8 Other comprehensive income, net of tax expense</b>				
<i>Items that will be reclassified subsequently to profit or loss:</i>				
Net exchange differences (loss)/ gain on translation of foreign operations	(266)	118	(505)	(390)
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Re-measurement (loss)/ gain on defined benefits plan	(10)	6	(15)	(38)
<b>Total other comprehensive income</b>	<b>(276)</b>	<b>124</b>	<b>(520)</b>	<b>(428)</b>
<b>9 Total comprehensive income for the period/ year (7+8)</b>	<b>252</b>	<b>1,414</b>	<b>(125)</b>	<b>2,094</b>
10 Paid up equity share capital [face value of ₹ 10 (March 31, 2019: ₹ 10)]	56,200	56,200	56,200	56,200
11 Other equity	-	-	-	23,210
12 Earnings per share (of ₹ 10/- each) (not annualised in case of the interim periods)				
(a) - Basic	0.10	0.23	0.07	0.45
(b) - Diluted	0.10	0.23	0.07	0.45

**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 12, 2019.
- 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			
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	Unaudited	Audited (Refer note 11)	Unaudited	Audited
Total income	516	1,013	647	2,091
Net loss before tax expense	(512)	(148)	(973)	(2,455)
Net loss for the period/ year	(512)	(145)	(973)	(2,453)
Total comprehensive income for the period/ year	(513)	(141)	(974)	(2,456)

- 4 Employee benefits expenses for the quarters ended June 30, 2019, March 31, 2019, and June 30, 2018 are net of reversal of provision no longer required, in respect of employee incentives relating to sales and delivery commissions, amounting to ₹ 450 Lakhs, Nil and Nil, respectively, and that for the year ended March 31, 2019 amounting to ₹ 40 Lakhs.
- 5 As at March 31, 2019, the Group assessed and concluded the carrying value of its goodwill along with carrying value of related Cash Generating Units ('CGUs') to be appropriate, basis the valuation carried out by an external valuer. There is no change in the management's assessment as regards the aforementioned carrying value of its goodwill along with carrying value of related CGU as at June 30, 2019.
- 6 Represents provision in respect of withholding taxes deducted/ deductible by the overseas customers of the Group.
- 7 Deferred tax charge/ (credit), comprises of deferred tax 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.
- 8 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.
- 9 Subex Employee Welfare and ESOP Benefit Trust (hereinafter referred to as the "ESOP Trust"), registered and authorised to acquire shares of the Company through secondary market for providing share-based payments to its employees, is consolidated in the standalone financial results of the Company and the shares reacquired and held by ESOP Trust are treated as treasury shares and recognised at cost and deducted from other equity.
- 10 Effective April 1, 2019, the Group adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹4,816 Lakhs and a lease liability of ₹5,052 Lakhs. The cumulative effect of applying the standard resulted in ₹442 Lakhs being debited to retained earnings, net of taxes.
- 11 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, 2019 and the published unaudited year to date figures for the nine months ended December 31, 2018.

Place: Bengaluru  
Date: August 12, 2019

Vinod Kumar Padmanabhan  
Managing Director & CEO

*For further details on the results, please visit our website: [www.subex.com](http://www.subex.com)*