

SUBEX LIMITED

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

Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2020

(₹ in Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited	Unaudited	Audited	Audited	Audited
	(Refer note 11)		(Refer note 11)		
Income					
1 Revenue from operations	389	284	514	1,079	1,916
2 Share of profit from Limited Liability Partnerships before exceptional items (net) (Refer note 3)	2,177	-	90	1,889	-
3 Other income	161	5	7	202	10
4 Total income (1+2+3)	2,727	289	611	3,170	1,926
Expenses					
Employee benefits expense	131	164	174	616	739
Finance costs	8	8	2	32	4
Depreciation and amortisation expense	49	171	153	562	625
Marketing and allied service charges	134	129	130	530	513
Exchange fluctuation loss/ (gain), net	5	(4)	175	(34)	39
Share of loss from Limited Liability Partnerships before exceptional items (net) (Refer note 3)	-	248	-	-	1,600
Other expenses	183	125	125	573	861
5 Total expenses	510	841	759	2,279	4,381
6 Profit/ (loss) before exceptional items and tax expense (4-5)	2,217	(552)	(148)	891	(2,455)
Exceptional items					
Provision no longer required written back	-	100	-	100	-
Impairment of intangible asset [Refer note 4 (i)]	-	(3,599)	-	(3,599)	-
Provision for claim settlement [Refer note 4 (ii)]	-	(1,054)	-	(1,054)	-
Share of loss from Subex Assurance LLP [Refer note 3 and 4 (i)]	-	(16,808)	-	(16,808)	-
Impairment of intangible assets and investment in subsidiary	-	(16,808)	-	(16,808)	-
7 Total exceptional items	-	(21,361)	-	(21,361)	-
8 Net profit/ (loss) before tax expense (6-7)	2,217	(21,913)	(148)	(20,470)	(2,455)
Tax expense, net					
Provision for MAT credit [Refer note 5(i)]	425	-	-	425	-
Reversal - foreign withholding taxes [Refer note 5(ii)]	(307)	-	(3)	(307)	(2)
Total tax expense	118	-	(3)	118	(2)
10 Net profit/ (loss) for the period/ year (8-9)	2,099	(21,913)	(145)	(20,588)	(2,453)
11 Other comprehensive income, net of tax expense					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Re-measurement (loss)/ gain on defined benefits plan	(17)	(2)	4	(21)	(3)
12 Total comprehensive income for the period/ year (10+11)	2,082	(21,915)	(141)	(20,609)	(2,456)
13 Paid up equity share capital [face value of ₹ 10 (March 31, 2019: ₹ 10)]	56,200	56,200	56,200	56,200	56,200
14 Other equity	-	-	-	(6,176)	14,949
15 Earning/ (loss) per share (of ₹ 10/- each) (not annualised in case of the interim periods):					
- Basic	0.39	(4.04)	(0.03)	(3.78)	(0.44)
- Diluted	0.39	(4.04)	(0.03)	(3.78)	(0.44)

SUBEX LIMITED

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

Statement of Standalone Assets and Liabilities

(₹ in Lakhs)

Particulars	As at	
	March 31, 2020	March 31, 2019
	Audited	Audited
A ASSETS		
Non-current assets		
Property, plant and equipment	12	18
Right-of-use assets	245	-
Intangible assets	900	4,987
Financial assets		
Investments	47,561	64,369
Loans	38	35
Other balances with banks	-	418
Other financial assets	-	234
Income tax asset (net)	2,900	2,730
Deferred tax asset (MAT credit entitlement)	-	425
Other non-current assets	267	281
	51,923	73,497
Current assets		
Financial assets		
Loans	7	4
Trade receivables	915	842
Cash and cash equivalents	392	97
Other financial assets	1,871	6
Other current assets	20	33
	3,205	982
Total assets	55,128	74,479
B EQUITY AND LIABILITIES		
Equity		
Equity share capital	56,200	56,200
Other equity	(6,176)	14,949
Total equity	50,024	71,149
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	190	-
Provisions	3	1
	193	1
Current liabilities		
Financial liabilities		
Lease liabilities	82	-
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	5	1
- total outstanding dues of creditors other than micro enterprises and small enterprises	281	267
Other financial liabilities	4,401	2,658
Other current liabilities	22	17
Provisions	12	112
Income tax liabilities (net)	108	274
	4,911	3,329
Total liabilities	5,104	3,330
Total equity and liabilities	55,128	74,479

SUBEX LIMITED
Statement of cash flows for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Audited	Audited
(A) Operating activities		
Loss before tax expense	(20,470)	(2,455)
<i>Adjustments to reconcile loss before tax expense to net cash flows:</i>		
Depreciation of property, plant and equipment and right-of-use assets	74	17
Amortisation of intangible assets	488	608
Expense on employee share based payments	7	16
Interest income (including fair value changes)	(29)	(10)
Finance costs (including fair value changes)	32	4
Allowance for expected credit losses	12	35
Amortized cost of deposits	-	4
Share of profit/ (loss) (net) from Limited Liability Partnerships	(1,889)	1,600
Impairment of intangibles and investment in subsidiary	20,407	-
Provision no longer required written-back	(100)	-
Advance recoverable written-off	234	-
Net foreign exchange differences	(34)	7
Operating loss before working capital changes	(1,268)	(174)
<i>Working capital adjustments:</i>		
(Increase)/ decrease in loans	(3)	5
(Increase)/ decrease in trade receivables	57	488
(Increase)/ decrease in other financial assets	1	-
(Increase)/ decrease in other assets	9	31
Increase/ (decrease) in trade payables	4	(155)
Increase/ (decrease) in other financial liabilities	(9)	10
Increase/ (decrease) in other current liabilities	5	(34)
Increase/ (decrease) in provisions	(19)	(3)
	(1,223)	168
Income tax paid (including TDS, net of refund)	(29)	(246)
Net cash flows used in operating activities	(1,252)	(78)
(B) Investing activities		
Purchase of property, plant and equipment	(3)	(11)
Proceeds from sale of property, plant and equipment	-	6
Drawings from limited liability partnerships	1,772	1,035
Movement in margin money deposit (net)	418	(418)
Purchase of treasury shares by ESOP trust	(611)	(645)
Interest received	32	1
Net cash flows from/(used in) investing activities	1,608	(32)
(C) Financing activities		
Proceeds from exercise of ESOP	25	-
Interest paid	(32)	(4)
Repayment of Lease liability	(54)	-
Net cash flows used in financing activities	(61)	(4)
(D) Net increase/ (decrease) in cash and cash equivalents (A+B+C)	295	(114)
Cash and cash equivalents at the beginning of the year	97	211
(E) Cash and cash equivalents at the end of the year	392	97

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 11, 2020.					
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	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited	Unaudited	Audited	Audited	Audited
	(Refer note 11)		(Refer note 11)		
Share of profit from Subex Assurance LLP before exceptional items	2,528	321	492	3,878	165
Share of loss from Subex Digital LLP	(351)	(569)	(402)	(1,989)	(1,765)
Total	(i) 2,177	(248)	90	1,889	(1,600)
Share of loss from Subex Assurance LLP (Exceptional items)					
Impairment of intangible asset and investment in subsidiary	(ii) -	(16,808)	-	(16,808)	-
Total [(i)+(ii)]	2,177	(17,056)	90	(14,919)	(1,600)
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 (i) During the previous quarter ended December 31, 2019, considering the challenges and significant investment requirements of telecom operators which has resulted in longer opportunity conversion cycle and lower spends towards IT solutions, the management had carried out the annual impairment exercise in respect of its intangible assets and investment in subsidiaries and basis valuation carried out by an external expert had made an impairment provision of ₹ 3,599 Lakhs towards carrying value of intangible asset and ₹ 16,808 Lakhs towards the carrying value of investment in subsidiary as at December 31, 2019. In view of the COVID -19 pandemic, the management has reassessed its projections and assumptions and has concluded that, the carrying value of intangible asset of ₹ 900 Lakhs and investment in subsidiary of ₹ 47,561 Lakhs as at March 31, 2020 is appropriate.					
(ii) On January 23, 2020, the Company had entered into settlement agreement with former MD & CEO and former COO of the company in respect of long drawn litigation wherein certain claims were made against the Company. In terms of the settlement agreement, the Company has paid an amount of ₹ 820 Lakhs (net of ₹ 234 Lakhs recoverable from such ex-employees). Accordingly, the aforesaid litigation is amicably settled.					
5 (i) During the quarter ended March 31, 2020, the MAT credit entitlement of ₹ 425 Lakhs has been provided for considering the uncertainty as regards to its utilisation.					
(ii) Represents provision in respect of withholding taxes deducted/ deductible by the overseas customers of the Company, which is net of reversal of ₹ 308 Lakhs considered no longer necessary on account of favourable assessment order received during the quarter allowing foreign tax credit in respect of AY 2016-17.					
6 The Board of Directors in its meeting held on February 07, 2020, has approved a scheme of Capital Reduction in accordance with Section 52 of the Companies Act, 2013 and Section 66 of the Companies Act, 2013 read with National Company Law Tribunal ('NCLT') (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013. Subject to the consent of the Shareholders and the approval from NCLT and other statutory authorities as and where applicable, the Accumulated Losses of ₹ 38,401 Lakhs as at December 31, 2019 shall be written off against the paid-up share capital of the Company for an amount of ₹ 28,100 Lakhs by reducing the face value of the equity shares from ₹ 10/- to ₹ 5/- each and Securities Premium Account balance for an amount of ₹ 10,301 lakhs.					
7 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.					
8 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. The shares held by the Trust were reduced on a weighted average basis from outstanding number of shares for computation of basic and diluted EPS of the Company.					
9 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.					
10 The Company has considered internal and certain external sources of information including economic forecasts, budgets required to meet performance obligations and likely delays on contractual commitments, upto the date of approval of these standalone financial results, in determining the possible impact from the COVID-19 pandemic. The Company has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of its assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these consolidated financial results and the Company will continue to closely monitor any material changes to its assessment of economic impact of COVID- 19 pandemic.					
11 The figures of last quarter of current year and previous year are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures for the nine months of the respective year.					
Place: Bengaluru Date: May 11, 2020				Vinod Kumar Padmanabhan Managing Director & CEO	
<i>For further details on the results, please visit our website: www.subex.com</i>					

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Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2020

(₹ in Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited (Refer note 14)	Unaudited	Audited (Refer note 14)	Audited	Audited
Income					
1 Revenue from operations	10,427	9,609	10,187	36,498	34,812
2 Other income	335	52	40	563	101
3 Total income (1+2)	10,762	9,661	10,227	37,061	34,913
Expenses					
Employee benefits expense (Refer note 4)	4,152	4,556	4,875	17,454	19,105
Finance costs	139	133	54	564	216
Depreciation and amortisation expense	392	367	138	1,508	483
Exchange fluctuation (gain)/ loss, net	(848)	512	512	(887)	(171)
Other expenses	3,277	2,750	2,618	10,426	10,572
4 Total expenses	7,112	8,318	8,197	29,065	30,205
5 Profit before exceptional items and tax expense (3-4)	3,650	1,343	2,030	7,996	4,708
Exceptional items					
Impairment of goodwill [Refer note 5(i)]	-	(31,473)	-	(31,473)	-
Provision no longer required written back	-	761	-	761	-
Provision for claim settlement [Refer note 5(ii)]	-	(1,054)	-	(1,054)	-
6 Total exceptional items	-	(31,766)	-	(31,766)	-
7 Net profit/ (loss) before tax expense (5-6)	3,650	(30,423)	2,030	(23,770)	4,708
8 Tax expense, net					
Current tax charge	35	80	98	117	274
Provision for MAT credit [Refer note 6 (i)]	425	-	-	425	-
Provision - foreign withholding taxes [Refer note 6 (ii)]	105	163	240	754	885
Deferred tax (credit)/ charge (Refer note 7)	(114)	606	402	1,849	1,027
Total tax expense	451	849	740	3,145	2,186
9 Net profit/ (loss) for the period/ year (7-8)	3,199	(31,272)	1,290	(26,915)	2,522
10 Other comprehensive income, net of tax expense					
<i>Items that will be reclassified subsequently to profit or loss:</i>					
Net exchange differences (loss)/ gain on translation of foreign operations	(200)	595	118	5	(390)
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Re-measurement gain/ (loss) on defined benefits plan	21	(20)	6	(34)	(38)
Total other comprehensive income	(179)	575	124	(29)	(428)
11 Total comprehensive income for the period/ year (9+10)	3,020	(30,697)	1,414	(26,944)	2,094
12 Paid up equity share capital [face value of ₹ 10 (March 31, 2019: ₹ 10)]	56,200	56,200	56,200	56,200	56,200
13 Other equity	-	-	-	(4,661)	23,210
14 Earnings/ (loss) per share (of ₹ 10/- each) (not annualised in case of the interim periods)					
- Basic	0.59	(5.77)	0.23	(4.94)	0.45
- Diluted	0.59	(5.77)	0.23	(4.94)	0.45

SUBEX LIMITED

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

Statement of Consolidated Assets and Liabilities

(₹ in Lakhs)

Particulars	As at	
	March 31, 2020	March 31, 2019
	Audited	Audited
A ASSETS		
Non-current assets		
Property, plant and equipment	434	540
Right-of-use assets	4,424	-
Goodwill on consolidation	34,409	65,882
Other intangible assets	3	7
Financial assets		
Loans	533	503
Other balances with banks	189	420
Other financial assets	-	234
Income tax asset (net)	3,305	3,039
Deferred tax asset (including MAT credit entitlement)	262	624
Other non-current assets	267	478
	43,826	71,727
Current assets		
Financial assets		
Loans	104	121
Trade receivables	9,206	8,539
Cash and cash equivalents	9,043	3,947
Other balances with banks	67	252
Other financial assets	5,264	4,537
Other current assets	588	526
	24,272	17,922
Total Assets	68,098	89,649
B EQUITY AND LIABILITIES		
Equity		
Equity share capital	56,200	56,200
Other equity	(4,661)	23,210
Total equity	51,539	79,410
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease Liabilities	3,458	-
Provisions	355	305
Deferred tax liabilities(net)	3,774	1,928
	7,587	2,233
Current liabilities		
Financial liabilities		
Lease Liabilities	1,409	-
Trade payable		
- total outstanding dues of micro enterprises and small enterprises	41	7
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,605	827
Other financial liabilities	2,212	2,961
Other current liabilities	2,342	2,452
Provisions	649	729
Income tax liabilities (net)	714	1,030
	8,972	8,006
Total liabilities	16,559	10,239
Total equity and liabilities	68,098	89,649

SUBEX LIMITED
Statement of cash flows for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Audited	Audited
(A) Operating activities		
Profit/ (loss) before tax expense	(23,770)	4,708
Adjustments to reconcile profit/ (loss) before tax expense to net cash flows:		
Depreciation of property, plant and equipment and right-of-use assets	1,503	427
Amortization of intangible assets	5	56
Gain on disposal of property, plant and equipment (net)	-	(3)
Interest income (including fair value changes)	(156)	(75)
Finance costs (including fair value changes)	564	216
Allowance for expected credit losses	289	459
Expense on share based payment	101	16
Amortized cost of deposits	-	59
Write-off of deposits	-	7
Gain on modification of leases	(6)	-
Provision no longer required written back	(761)	-
Advance recoverable written-off	234	-
Impairment of goodwill	31,473	-
Net foreign exchange differences	(744)	(328)
Operating profit before working capital changes	8,732	5,542
Working capital adjustments:		
(Increase)/ decrease in loans	52	(10)
(Increase)/ decrease in trade receivables	(181)	554
(Increase)/ decrease in other financial assets	(718)	391
(Increase)/ decrease in other assets	(2)	27
Increase/ (decrease) in trade payables	643	(489)
Increase/ (decrease) in other financial liabilities	(669)	1,358
Increase/ (decrease) in other current liabilities	328	(844)
Increase/ (decrease) in provisions	(17)	(27)
	8,168	6,502
Income tax paid (including TDS, net of refund)	(1,457)	(1,044)
Net cash flows from operating activities	6,711	5,458
(B) Investing activities		
Purchase of property, plant and equipment	(353)	(235)
Proceeds from sale of property, plant and equipment	-	11
Movement in margin money deposit (net)	426	(296)
Purchase of treasury shares by ESOP trust	(611)	(645)
Interest received	108	25
Net cash flows used in investing activities	(430)	(1,140)
(C) Financing activities		
Proceeds from exercise of ESOP	25	-
Repayment in working capital loans (net)	-	(3,215)
Interest paid	(539)	(191)
Repayment of lease liability	(907)	-
Net cash flows used in financing activities	(1,421)	(3,406)
(D) Net increase in cash and cash equivalents (A+B+C)	4,860	912
Net foreign exchange difference on cash and cash equivalents	236	28
Cash and cash equivalents at the beginning of the year	3,947	3,007
(E) Cash and cash equivalents at the end of the year	9,043	3,947

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 11, 2020.
- 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, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited	Unaudited	Audited	Audited	Audited
	(Refer note 14)		(Refer note 14)		
Total income	2,727	289	611	3,170	1,926
Net profit/ (loss) before tax expense	2,217	(21,913)	(148)	(20,470)	(2,455)
Net profit/ (loss) for the period/ year	2,099	(21,913)	(145)	(20,588)	(2,453)
Total comprehensive income for the period/ year	2,082	(21,915)	(141)	(20,609)	(2,456)

- 4 Employee benefits expenses for the quarters ended March 31, 2020, December 31, 2019, and March 31, 2019 are net of reversal of provision no longer required, in respect of employee incentives relating to sales and delivery commissions, amounting to ₹ 678 Lakhs, ₹ 149 Lakhs and ₹ 24 Lakhs, respectively, and that for the year ended March 31, 2020 and March 31, 2019 amounting to ₹ 692 Lakhs and ₹ 77 Lakhs, respectively.
- 5 (i) During the previous quarter ended December 31, 2019, considering the challenges and significant investment requirements of telecom operators which has resulted in longer opportunity conversion cycle and lower spends towards IT solutions, the management had carried out the annual impairment exercise in respect of carrying value of goodwill and basis valuation carried out by an external valuation expert, had made an impairment provision of ₹ 31,473 Lakhs towards carrying value of goodwill as at December 31, 2019. In view of the COVID -19 pandemic, the management has reassessed its projections and assumptions and has concluded that, the carrying value of goodwill of ₹ 34,409 Lakhs as at March 31, 2020 is appropriate.
- (ii) On January 23, 2020, the Company had entered into settlement agreement with former MD & CEO and former COO of the company in respect of long drawn litigation wherein certain claims were made against the Company. In terms of the settlement agreement, the Company has paid an amount of ₹ 820 lakhs (net of ₹ 234 Lakhs recoverable from such ex-employees). Accordingly, the aforesaid litigation is amicably settled.
- 6 (i) During the quarter ended March 31, 2020, the MAT credit entitlement of ₹ 425 Lakhs has been provided for considering the uncertainty as regards to its utilisation.
- (ii) Represents provision in respect of withholding taxes deducted/ deductible by the overseas customers of the Group, which is net of reversal of ₹ 308 Lakhs considered no longer necessary on account of favourable assessment order received during the quarter allowing foreign tax credit in respect of AY 2016-17.
- 7 Deferred tax charge/ (credit), comprises of 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. The liability for the quarter ended March 31, 2020 in respect of tax benefits from amortisation of intangibles is net of provision no longer considered necessary amounting to ₹ 1,014 Lakhs considering the favourable assessment order in respect of AY 2016-17 with respect to foreign tax credit allowance.
- 8 The Board of Directors in its meeting held on February 07, 2020, has approved a scheme of Capital Reduction in accordance with Section 52 of the Companies Act, 2013 and Section 66 of the Companies Act, 2013 read with National Company Law Tribunal ("NCLT") (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013. Subject to the consent of the Shareholders and the approval from NCLT and other statutory authorities as and where applicable, the Accumulated Losses of ₹ 38,401 Lakhs as at December 31, 2019 shall be written off against the paid-up share capital of the Company for an amount of ₹ 28,100 Lakhs by reducing the face value of the equity shares from ₹ 10/- to ₹ 5/- each and Securities Premium Account balance for an amount of ₹ 10,301 Lakhs.
- 9 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.
- 10 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. The shares held by the Trust were reduced on a weighted average basis from outstanding number of shares for computation of basic and diluted EPS of the Company.
- 11 On February 13, 2020, Subex Assurance LLP, a subsidiary of Subex Limited, has set up a new entity in Bangladesh viz. Subex Bangladesh Private Limited. The said subsidiary holds 100% of the shares of Subex Bangladesh Private Limited.
- 12 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.
- 13 The Group has considered internal and certain external sources of information including economic forecasts, budgets required to meet performance obligations and likely delays on contractual commitments, upto the date of approval of these consolidated financial results, in determining the possible impact from the COVID-19 pandemic. The Group has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Group expects to fully recover the carrying amount of its assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these consolidated financial results and the Group will continue to closely monitor any material changes to its assessment of economic impact of COVID-19 pandemic.
- 14 The figures of last quarter of current year and previous year are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures for the nine months of the respective year.

Place: Bengaluru
Date: May 11, 2020

Vinod Kumar Padmanabhan
Managing Director & CEO

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