

**SUBEX LIMITED**

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

**Statement of Unaudited Standalone Financial Results for the quarter and six months ended September 30, 2020**

(₹ in Lakhs)

Particulars	Quarter ended			Year to date figures for the six months ended		Year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Income</b>						
1 Revenue from operations	428	575	187	1,003	406	1,079
2 Share of profit from Limited Liability Partnerships before exceptional items (net) (Refer note 3)	665	754	118	1,419	-	1,889
3 Other income	2	3	26	5	36	202
<b>4 Total income (1+2+3)</b>	<b>1,095</b>	<b>1,332</b>	<b>331</b>	<b>2,427</b>	<b>442</b>	<b>3,170</b>
<b>Expenses</b>						
Employee benefits expense	154	155	148	309	321	616
Finance costs	6	6	7	12	15	28
Depreciation and amortization expense	50	49	172	99	342	562
Marketing and allied service charges	127	131	133	258	267	530
Exchange fluctuation loss/ (gain), net	10	(14)	(10)	(4)	(35)	(34)
Share of loss from Limited Liability Partnerships before exceptional items (net) (Refer note 3)	-	-	-	-	40	-
Other expenses	77	105	143	182	266	577
<b>5 Total expenses</b>	<b>424</b>	<b>432</b>	<b>593</b>	<b>856</b>	<b>1,216</b>	<b>2,279</b>
<b>6 Profit/ (loss) before exceptional items and tax (4-5)</b>	<b>671</b>	<b>900</b>	<b>(262)</b>	<b>1,571</b>	<b>(774)</b>	<b>891</b>
<b>Exceptional items</b>						
Gain on termination of lease agreement (Refer note 9)	36	-	-	36	-	-
Provision for service tax receivable (Refer note 6)	(267)	-	-	(267)	-	-
Provision no longer required written back	-	-	-	-	-	100
Impairment of intangible asset [Refer note 4 (i)]	-	-	-	-	-	(3,599)
Provision for claim settlement [Refer note 4 (ii)]	-	-	-	-	-	(1,054)
Share of loss from Subex Assurance LLP [Refer note 3 and 4 (i)]	-	-	-	-	-	(16,808)
Impairment of intangible assets and investment in subsidiary	-	-	-	-	-	(16,808)
<b>7 Total exceptional items</b>	<b>(231)</b>	<b>-</b>	<b>-</b>	<b>(231)</b>	<b>-</b>	<b>(21,361)</b>
<b>8 Net profit/ (loss) before tax (6-7)</b>	<b>440</b>	<b>900</b>	<b>(262)</b>	<b>1,340</b>	<b>(774)</b>	<b>(20,470)</b>
<b>9 Tax expense, net</b>						
Current tax charge	6	-	-	6	-	-
Provision for MAT credit [Refer note 5(i)]	-	-	-	-	-	425
Reversal - foreign withholding taxes [Refer note 5(ii)]	(2)	-	-	(2)	-	(307)
<b>Total tax expense</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>118</b>
<b>10 Net profit/ (loss) for the period/ year (8-9)</b>	<b>436</b>	<b>900</b>	<b>(262)</b>	<b>1,336</b>	<b>(774)</b>	<b>(20,588)</b>
<b>11 Other comprehensive income/ (loss), net of tax</b>						
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Re-measurement (loss)/gain on defined benefits plan	(2)	(1)	(1)	(3)	(2)	(21)
<b>12 Total comprehensive income/ (loss) for the period/ year (10+11)</b>	<b>434</b>	<b>899</b>	<b>(263)</b>	<b>1,333</b>	<b>(776)</b>	<b>(20,609)</b>
13 Paid up equity share capital (Refer note 7) [face value of ₹ 5 each w.e.f September 29, 2020 and ₹ 10 upto September 28, 2020]	28,100	56,200	56,200	28,100	56,200	56,200
14 Other equity	-	-	-	-	-	(6,176)
15 Earnings/ (loss) per share (of ₹ 5/- each w.e.f September 29, 2020 and ₹ 10 upto September 28, 2020) (not annualised in case of the interim periods) (Refer note 7):						
- Basic	0.08	0.17	(0.05)	0.25	(0.14)	(3.78)
- Diluted	0.08	0.17	(0.05)	0.25	(0.14)	(3.78)

**SUBEX LIMITED**  
Registered office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560103  
**Statement of Standalone Assets and Liabilities**

(₹ in Lakhs)

Particulars	As at	
	September 30, 2020	March 31, 2020
	Unaudited	Audited
<b>A ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	10	12
Right-of-use assets	17	245
Intangible assets	838	900
Financial assets		
Investments	47,561	47,561
Loans	8	38
Income tax asset (net)	2,900	2,900
Other non-current assets	-	267
	<b>51,334</b>	<b>51,923</b>
<b>Current assets</b>		
Financial assets		
Loans	49	7
Trade receivables	1,142	915
Cash and cash equivalents	302	392
Other financial assets	4,393	1,871
Other current assets	14	20
	<b>5,900</b>	<b>3,205</b>
<b>Total assets</b>	<b>57,234</b>	<b>55,128</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	28,100	56,200
Other equity	23,340	(6,176)
<b>Total equity</b>	<b>51,440</b>	<b>50,024</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Lease liabilities	-	190
Provisions	-	3
	-	<b>193</b>
<b>Current liabilities</b>		
Financial liabilities		
Lease liabilities	20	82
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	2	5
- total outstanding dues of creditors other than micro enterprises and small enterprises	148	281
Other financial liabilities	5,487	4,401
Other current liabilities	11	22
Provisions	15	12
Income tax liabilities (net)	111	108
	<b>5,794</b>	<b>4,911</b>
<b>Total liabilities</b>	<b>5,794</b>	<b>5,104</b>
<b>Total equity and liabilities</b>	<b>57,234</b>	<b>55,128</b>

**SUBEX LIMITED**  
**Statement of cash flows for the six months ended September 30, 2020**

(₹ in Lakhs)

Particulars	Six months ended	
	September 30, 2020	September 30, 2019
	Unaudited	Unaudited
<b>(A) Operating activities</b>		
<b>Profit/ (loss) before tax</b>	1,340	(774)
<i>Adjustments to reconcile profit/ (loss) before tax to net cash flows:</i>		
Depreciation of property, plant and equipment and right-of-use assets	36	38
Amortization of intangible assets	63	304
Expense on employee share based payments	4	4
Interest income (including fair value changes)	(6)	(18)
Finance costs (including fair value changes)	12	15
Allowance for expected credit losses	(7)	7
Gain on termination of lease agreement	(36)	-
Provision for service tax receivable	267	-
Share of (profit)/ loss (net) from Limited Liability Partnerships	(1,419)	40
Net foreign exchange differences	15	(18)
<b>Operating profit/ (loss) before working capital changes</b>	<b>269</b>	<b>(402)</b>
<i>Working capital adjustments:</i>		
(Increase)/ decrease in loans	(10)	3
(Increase)/ decrease in trade receivables	(175)	147
(Increase)/ decrease in other assets	6	(17)
Increase/ (decrease) in trade payables	(119)	242
Increase/ (decrease) in other financial liabilities	(17)	(11)
Increase/ (decrease) in other current liabilities	(11)	(5)
Increase/ (decrease) in provisions	(3)	-
Income tax paid (including TDS, net of refund)	(60)	(43)
<b>Net cash flows used in operating activities</b>	<b>(61)</b>	<b>(63)</b>
<b>(B) Investing activities</b>		
Purchase of property, plant and equipment	(2)	(1)
Drawings from limited liability partnerships	-	580
Purchase of treasury shares by ESOP trust	(22)	(378)
Interest received	4	2
<b>Net cash flows (used in)/ from investing activities</b>	<b>(20)</b>	<b>203</b>
<b>(C) Financing activities</b>		
Proceeds from exercise of ESOP	31	-
Interest paid	(12)	(15)
Repayment of Lease liability	(28)	(26)
<b>Net cash flows used in financing activities</b>	<b>(9)</b>	<b>(41)</b>
<b>(D) Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(90)</b>	<b>99</b>
Cash and cash equivalents at the beginning of the period	392	97
<b>(E) Cash and cash equivalents at the end of the period</b>	<b>302</b>	<b>196</b>

<b>Notes:</b>						
1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on November 9, 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 to date figures for the six months ended		Year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Share of profit from Subex Assurance LLP before exceptional items	1,225	1,296	742	2,522	1,029	3,878
Share of loss from Subex Digital LLP	(560)	(542)	(624)	(1,103)	(1,069)	(1,989)
<b>Total (i)</b>	<b>665</b>	<b>754</b>	<b>118</b>	<b>1,419</b>	<b>(40)</b>	<b>1,889</b>
Share of loss from Subex Assurance LLP ( Exceptional items) Impairment of intangible asset and investment in subsidiary	-	-	-	-	-	(16,808)
<b>Total [(i)+(ii)]</b>	<b>665</b>	<b>754</b>	<b>118</b>	<b>1,419</b>	<b>(40)</b>	<b>(14,919)</b>
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 year ended March 31, 2020, 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 as at December 31, 2019 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. In view of the COVID -19 pandemic, the management has reassessed its projections and assumptions and has concluded that, the carrying value of its intangible asset and investments in its subsidiaries as at September 30, 2020 is appropriate.						
(ii) During the previous year ended March 31, 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 previous year 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. During the previous year ended March 31, 2020, the Company has reversed an amount of ₹ 308 Lakhs considering it is no longer necessary on account of favourable assessment order received allowing foreign tax credit in respect of AY 2016-17.						
6 During the quarter ended September 30, 2020, service tax receivable of ₹ 267 Lakhs has been provided for considering the uncertainty as regards to its realisation.						
7 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. The Hon'ble NCLT has approved the said Scheme vide its order dated September 23, 2020. Consequently, the Company has filed a certified copy of Order with Registrar of Companies ("ROC") on September 29, 2020 and has utilized an amount of ₹ 28,100 Lakhs from paid-up share capital of the Company by reducing the face value of the equity shares from ₹ 10/- to ₹ 5/- each and ₹ 10,301 Lakhs from securities premium to write-off its accumulated losses of ₹ 38,401 Lakhs.						
8 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.						
9 Represents gain arising on termination of the lease agreement of existing office premises in India, accounted in accordance with Ind AS 116 – Leases.						
10 The full impact of COVID – 19 still remains uncertain and could be different from the estimates considered while preparing these standalone financial results. The Company shall continue to closely monitor any material changes to future economic conditions.						
						<b>Vinod Kumar Padmanabhan</b> Managing Director & CEO
Place: Bengaluru Date: November 9, 2020						
For further details on the results, please visit our website: <a href="http://www.subex.com">www.subex.com</a>						

**SUBEX LIMITED**

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

**Statement of Unaudited Consolidated Financial Results for the quarter and six months ended September 30, 2020**

(₹ in Lakhs)

Particulars	Quarter ended			Year to date figures for the six months ended		Year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Income</b>						
1 Revenue from operations	9,329	8,870	8,567	18,199	16,462	36,498
2 Other income	100	96	140	196	176	563
<b>3 Total income (1+2)</b>	<b>9,429</b>	<b>8,966</b>	<b>8,707</b>	<b>18,395</b>	<b>16,638</b>	<b>37,061</b>
<b>Expenses</b>						
Employee benefits expense (Refer note 4)	4,890	4,557	4,437	9,447	8,746	17,454
Finance costs	103	110	121	213	243	477
Depreciation and amortization expense	365	366	378	731	749	1,508
Exchange fluctuation loss/(gain), net	438	(189)	(292)	249	(551)	(887)
Other expenses	1,461	1,542	2,352	3,003	4,448	10,513
<b>4 Total expenses</b>	<b>7,257</b>	<b>6,386</b>	<b>6,996</b>	<b>13,643</b>	<b>13,635</b>	<b>29,065</b>
<b>5 Profit before exceptional items and tax (3-4)</b>	<b>2,172</b>	<b>2,580</b>	<b>1,711</b>	<b>4,752</b>	<b>3,003</b>	<b>7,996</b>
<b>Exceptional items</b>						
Gain on termination of lease agreement (Refer note 11)	554	-	-	554	-	-
Provision for service tax receivable (Refer note 8)	(267)	-	-	(267)	-	-
Impairment of goodwill [Refer note 5(i)]	-	-	-	-	-	(31,473)
Provision no longer required written back	-	-	-	-	-	761
Provision for claim settlement [Refer note 5(ii)]	-	-	-	-	-	(1,054)
<b>6 Total exceptional items</b>	<b>287</b>	<b>-</b>	<b>-</b>	<b>287</b>	<b>-</b>	<b>(31,766)</b>
<b>7 Net profit/ (loss) before tax (5-6)</b>	<b>2,459</b>	<b>2,580</b>	<b>1,711</b>	<b>5,039</b>	<b>3,003</b>	<b>(23,770)</b>
<b>8 Tax expense, net</b>						
Current tax charge	7	1	1	8	2	117
Provision for MAT credit [Refer note 6 (i)]	-	-	-	-	-	425
Provision - foreign withholding taxes [Refer note 6 (ii)]	386	346	263	732	486	754
Deferred tax charge (Refer note 7)	841	717	817	1,558	1,357	1,849
<b>Total tax expense</b>	<b>1,234</b>	<b>1,064</b>	<b>1,081</b>	<b>2,298</b>	<b>1,845</b>	<b>3,145</b>
<b>9 Net profit/ (loss) for the period/ year (7-8)</b>	<b>1,225</b>	<b>1,516</b>	<b>630</b>	<b>2,741</b>	<b>1,158</b>	<b>(26,915)</b>
<b>10 Other comprehensive income/ (loss) net of tax expense</b>						
<i>Items that will be reclassified subsequently to profit or loss:</i>						
Net exchange differences gain/ (loss) on translation of foreign operations	158	(38)	(124)	120	(390)	5
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Re-measurement (loss)/ gain on defined benefits plan	(20)	(4)	(25)	(24)	(35)	(34)
<b>Total other comprehensive income/ (loss)</b>	<b>138</b>	<b>(42)</b>	<b>(149)</b>	<b>96</b>	<b>(425)</b>	<b>(29)</b>
<b>11 Total comprehensive income/ (loss) for the period/ year (9+10)</b>	<b>1,363</b>	<b>1,474</b>	<b>481</b>	<b>2,837</b>	<b>733</b>	<b>(26,944)</b>
12 Paid up equity share capital (Refer note 9) [face value of ₹ 5 each w.e.f September 29, 2020 and ₹ 10 upto September 28, 2020]	28,100	56,200	56,200	28,100	56,200	56,200
13 Other equity	-	-	-	-	-	(4,661)
14 Earnings/(loss) per share (of ₹ 5/- each w.e.f September 29, 2020 and ₹ 10 upto September 28, 2020) (not annualised in case of the interim periods) (Refer note 9):						
- Basic	0.23	0.28	0.12	0.51	0.21	(4.94)
- Diluted	0.23	0.28	0.12	0.51	0.21	(4.94)

**SUBEX LIMITED**

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

**Statement of Consolidated Assets and Liabilities**

(₹ in Lakhs)

Particulars	As at	
	September 30, 2020	March 31, 2020
	Unaudited	Audited
<b>A ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	498	434
Right-of-use assets	869	4,424
Goodwill on consolidation	34,409	34,409
Other intangible assets	1	3
<b>Financial assets</b>		
Loans	64	533
Other balances with banks	79	189
Income tax asset (net)	3,225	3,305
Deferred tax asset	198	262
Other non-current assets	58	267
	<b>39,401</b>	<b>43,826</b>
<b>Current assets</b>		
<b>Financial assets</b>		
Loans	833	104
Trade receivables	8,630	9,206
Cash and cash equivalents	13,765	9,043
Other balances with banks	246	67
Other financial assets	5,628	5,264
Other current assets	658	588
	<b>29,760</b>	<b>24,272</b>
<b>Total Assets</b>	<b>69,161</b>	<b>68,098</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	28,100	56,200
Other equity	26,359	(4,661)
<b>Total equity</b>	<b>54,459</b>	<b>51,539</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Lease Liabilities	478	3,458
Provisions	355	355
Deferred tax liabilities(net)	5,262	3,774
	<b>6,095</b>	<b>7,587</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	590	-
Lease Liabilities	469	1,409
Trade payable		
- total outstanding dues of micro enterprises and small enterprises	8	41
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,038	1,605
Other financial liabilities	1,865	2,212
Other current liabilities	3,094	2,342
Provisions	771	649
Income tax liabilities (net)	772	714
	<b>8,607</b>	<b>8,972</b>
<b>Total liabilities</b>	<b>14,702</b>	<b>16,559</b>
<b>Total equity and liabilities</b>	<b>69,161</b>	<b>68,098</b>

**SUBEX LIMITED**  
**Statement of cash flows for the six months ended September 30, 2020**

(₹ in Lakhs)

Particulars	Six months ended	
	September 30, 2020	September 30, 2019
	Unaudited	Unaudited
<b>(A) Operating activities</b>		
<b>Profit before tax</b>	5,039	3,003
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of property, plant and equipment and right-of-use assets	729	746
Amortization of intangible assets	2	3
Interest income (including fair value changes)	(189)	(64)
Finance costs (including fair value changes)	213	243
Allowance for expected credit losses	(171)	16
Expense on share based payment	74	48
Gain on termination of lease agreement	(554)	-
Provision for service tax receivable	267	-
Net foreign exchange differences	314	(520)
<b>Operating profit before working capital changes</b>	<b>5,724</b>	<b>3,475</b>
<i>Working capital adjustments:</i>		
(Increase)/ decrease in loans	(22)	(7)
(Increase)/ decrease in trade receivables	355	89
(Increase)/ decrease in other financial assets	(279)	586
(Increase)/ decrease in other assets	(151)	(219)
Increase/ (decrease) in trade payables	(697)	(1)
Increase/ (decrease) in other financial liabilities	(347)	(697)
Increase/ (decrease) in other current liabilities	874	645
Increase/ (decrease) in provisions	89	62
	<b>5,546</b>	<b>3,933</b>
Income tax paid (including TDS, net of refund)	(608)	(710)
<b>Net cash flows from operating activities</b>	<b>4,938</b>	<b>3,223</b>
<b>(B) Investing activities</b>		
Purchase of property, plant and equipment	(210)	(288)
Movement in margin money deposit (net)	(69)	131
Purchase of treasury shares by ESOP trust	(22)	(378)
Interest received	121	25
<b>Net cash flows used in investing activities</b>	<b>(180)</b>	<b>(510)</b>
<b>(C) Financing activities</b>		
Proceeds from exercise of ESOP	31	-
Proceeds from borrowings	600	-
Interest paid	(201)	(230)
Repayment of lease liability	(508)	(425)
<b>Net cash flows used in financing activities</b>	<b>(78)</b>	<b>(655)</b>
<b>(D) Net increase in cash and cash equivalents (A+B+C)</b>	<b>4,680</b>	<b>2,058</b>
Net foreign exchange difference on cash and cash equivalents	42	101
Cash and cash equivalents at the beginning of the period	9,043	3,947
<b>(E) Cash and cash equivalents at the end of the period</b>	<b>13,765</b>	<b>6,106</b>

**Notes:**

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on November 9, 2020.
- 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.
- 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, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total income	1,095	1,332	331	2,427	442	3,170
Net profit/ (loss) before tax	440	900	(262)	1,340	(774)	(20,470)
Net profit/ (loss) for the period/ year	436	900	(262)	1,336	(774)	(20,588)
Total comprehensive income / (loss) for the period/ year	434	899	(263)	1,333	(776)	(20,609)

- Employee benefits expenses for the quarters ended September 30, 2020, June 30, 2020, and September 30, 2019 are net of reversal of provision no longer required, in respect of employee incentives relating to sales and delivery commissions, amounting to ₹ 62 Lakhs, ₹ 333 Lakhs and ₹ 221 Lakhs, respectively, and that for the six months ended September 30, 2020 and September 30, 2019 amounting to ₹ 333 Lakhs and ₹ 450 Lakhs, respectively and for that year ended March 31, 2020 amounting to ₹ 692 lakhs.
- (i) During the previous year ended March 31, 2020, 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 as at December 31, 2019 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. In view of the COVID -19 pandemic, the management has reassessed its projections and assumptions and has concluded that, the carrying value of its goodwill as at September 30, 2020 is appropriate.  
  
(ii) During the previous year ended March 31, 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.
- (i) During the previous year 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. During the previous year ended March 31, 2020, the Group has reversed an amount of ₹ 308 Lakhs considering it is no longer necessary on account of favourable assessment order received allowing foreign tax credit in respect of AY 2016-17.
- Deferred tax charge, 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 year 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.
- During the quarter ended September 30, 2020, service tax receivable of ₹ 267 Lakhs has been provided for considering the uncertainty as regards to its realisation.
- 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. The Hon'ble NCLT has approved the said Scheme vide its order dated September 23, 2020. Consequently, the Company has filed a certified copy of the Order with Registrar of Companies ('ROC') on September 29, 2020 and has utilized an amount of ₹ 28,100 Lakhs from paid-up share capital of the Company by reducing the face value of the equity shares from ₹ 10/- to ₹ 5/- each and ₹ 10,301 Lakhs from securities premium to write-off its accumulated losses of ₹ 38,401 Lakhs.
- 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.
- Represents gain arising on termination of the lease agreement of existing office premises in India, accounted in accordance with Ind AS 116 – Leases.
- The full impact of COVID – 19 still remains uncertain and could be different from the estimates considered while preparing these consolidated financial results. The Group shall continue to closely monitor any material changes to future economic conditions.

Place: Bengaluru  
Date: November 9, 2020

Vinod Kumar Padmanabhan  
Managing Director & CEO

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