

**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 Audited Standalone Financial Results for the quarter and year ended March 31, 2021**

(₹ in Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	Audited	Unaudited	Audited	Audited	Audited
	Refer note 14		Refer note 14		
<b>Income</b>					
1 Revenue from operations [Refer note 13 (b)]	1,691	222	389	2,916	1,079
2 Share of profit from Limited Liability Partnerships before exceptional items (net) (Refer note 3)	880	286	2,177	2,585	1,889
3 Other income	2	2	161	9	202
<b>4 Total income (1+2+3)</b>	<b>2,573</b>	<b>510</b>	<b>2,727</b>	<b>5,510</b>	<b>3,170</b>
<b>Expenses</b>					
Employee benefits expense [Refer note 13 (a)]	887	165	131	1,361	616
Finance costs	1	1	6	14	28
Depreciation and amortization expense	42	52	49	193	562
Marketing and support charges [Refer note 13 (b)]	265	128	134	651	530
Exchange fluctuation loss/(gain), net	8	(17)	5	(13)	(34)
Other expenses	184	56	185	422	577
<b>5 Total expenses</b>	<b>1,387</b>	<b>385</b>	<b>510</b>	<b>2,628</b>	<b>2,279</b>
<b>6 Profit before exceptional items and tax (4-5)</b>	<b>1,186</b>	<b>125</b>	<b>2,217</b>	<b>2,882</b>	<b>891</b>
<b>Exceptional items</b>					
Share of loss from Subex Assurance LLP [Refer note 3 and 4 (i)]					
Impairment of intangible assets and investment in subsidiary	-	-	-	-	(16,808)
Impairment of intangible asset [Refer note 4 (i)]	-	-	-	-	(3,599)
Provision for claim settlement [Refer note 4 (ii)]	-	-	-	-	(1,054)
Provision no longer required written back	-	-	-	-	100
Gain on termination of lease agreement (Refer note 5)	-	-	-	36	-
Provision for service tax receivable (Refer note 6)	-	-	-	(267)	-
<b>7 Total exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(231)</b>	<b>(21,361)</b>
<b>8 Net profit/ (loss) before tax (6+7)</b>	<b>1,186</b>	<b>125</b>	<b>2,217</b>	<b>2,651</b>	<b>(20,470)</b>
<b>9 Tax expense, net</b>					
Current tax charge	29	-	-	35	-
Provision for MAT credit [Refer note 7(i)]	-	-	425	-	425
Reversal - foreign withholding taxes [Refer note 7(ii)]	-	(4)	(307)	(6)	(307)
<b>Total tax expense</b>	<b>29</b>	<b>(4)</b>	<b>118</b>	<b>29</b>	<b>118</b>
<b>10 Net profit/ (loss) for the period/ year (8-9)</b>	<b>1,157</b>	<b>129</b>	<b>2,099</b>	<b>2,622</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 gain/(loss) on defined benefits plan	5	(2)	(17)	-	(21)
<b>12 Total comprehensive income/ (loss) for the period/ year (10+11)</b>	<b>1,162</b>	<b>127</b>	<b>2,082</b>	<b>2,622</b>	<b>(20,609)</b>
13 Paid up equity share capital (Refer note 8) [face value of ₹ 5 each w.e.f September 29, 2020 and ₹ 10 upto September 28, 2020]	28,100	28,100	56,200	28,100	56,200
14 Other equity	-	-	-	22,066	(6,176)
15 Earning/ (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 8):					
- Basic	0.21	0.02	0.39	0.49	(3.78)
- Diluted	0.21	0.02	0.39	0.48	(3.78)

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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, 2021	March 31, 2020
<b>A ASSETS</b>	<b>Audited</b>	<b>Audited</b>
<b>Non-current assets</b>		
Property, plant and equipment	53	12
Right-of-use assets	46	245
Intangible assets	775	900
Financial assets		
Investments	47,561	47,561
Loans	14	38
Income tax asset (net)	2,900	2,900
Other non-current assets	-	267
	<b>51,349</b>	<b>51,923</b>
<b>Current assets</b>		
Financial assets		
Loans	26	7
Trade receivables	2,184	915
Cash and cash equivalents	397	392
Other financial assets	3,900	1,871
Other current assets	63	20
	<b>6,570</b>	<b>3,205</b>
<b>Total assets</b>	<b>57,919</b>	<b>55,128</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	28,100	56,200
Other equity	22,066	(6,176)
<b>Total equity</b>	<b>50,166</b>	<b>50,024</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Lease liabilities	35	190
Provisions	116	3
	<b>151</b>	<b>193</b>
<b>Current liabilities</b>		
Financial liabilities		
Lease liabilities	11	82
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	3	5
- total outstanding dues of creditors other than micro enterprises and small enterprises	355	281
Other financial liabilities	6,909	4,401
Other current liabilities	99	22
Provisions	90	12
Income tax liabilities (net)	135	108
	<b>7,602</b>	<b>4,911</b>
<b>Total liabilities</b>	<b>7,753</b>	<b>5,104</b>
<b>Total equity and liabilities</b>	<b>57,919</b>	<b>55,128</b>

**SUBEX LIMITED**  
**Standalone statement of cash flows for the year ended March 31, 2021**

( ₹ in Lakhs)

Particulars	Year ended	
	March 31, 2021	March 31, 2020
	Audited	Audited
<b>(A) Operating activities</b>		
<b>Profit/ (loss) before tax expense</b>	2,651	(20,470)
<b>Adjustments to reconcile profit/ (loss) before tax expense to net cash flows:</b>		
Depreciation of property, plant and equipment and right-of-use assets	68	74
Amortization of intangible assets	125	488
Expense on employee share based payments	9	7
Interest income (including fair value changes)	(9)	(29)
Finance costs (including fair value changes)	14	28
Allowance for expected credit losses	(23)	12
Gain on termination of lease agreement	(36)	-
Provision for service tax receivable	267	-
Share of profit (net) from Limited Liability Partnerships	(2,585)	(1,889)
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	22	(34)
<b>Operating profit/ (loss) before working capital changes</b>	<b>503</b>	<b>(1,272)</b>
<b>Working capital adjustments:</b>		
(Increase)/ decrease in loans	21	(3)
(Increase)/ decrease in trade receivables	(1,139)	57
(Increase)/ decrease in other financial assets	-	1
(Increase)/ decrease in other assets	(43)	9
Increase/ (decrease) in trade payables	73	4
Increase/ (decrease) in other financial liabilities	464	(9)
Increase/ (decrease) in other current liabilities	77	5
Increase/ (decrease) in provisions	191	(19)
	<b>147</b>	<b>(1,227)</b>
Income tax paid (including TDS, net of refund)	(2)	(29)
<b>Net cash flows from/(used in) operating activities</b>	<b>145</b>	<b>(1,256)</b>
<b>(B) Investing activities</b>		
Purchase of property, plant and equipment	(55)	(3)
Drawings from limited liability partnerships	2,600	1,772
Movement in margin money deposit (net)	-	418
Purchase of treasury shares by ESOP trust	(22)	(611)
Interest received	7	32
<b>Net cash flows from investing activities</b>	<b>2,530</b>	<b>1,608</b>
<b>(C) Financing activities</b>		
Proceeds from exercise of ESOP	141	25
Interest paid	(14)	(28)
Repayment of Lease liability	(51)	(54)
Payments of dividend	(2,746)	-
<b>Net cash flows used in financing activities</b>	<b>(2,670)</b>	<b>(57)</b>
<b>(D) Net increase in cash and cash equivalents (A+B+C)</b>	<b>5</b>	<b>295</b>
Cash and cash equivalents at the beginning of the year	392	97
<b>(E) Cash and cash equivalents at year end</b>	<b>397</b>	<b>392</b>

**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 17, 2021.
- 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, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	Audited	Unaudited	Audited	Audited	Audited
	Refer note 14		Refer note 14		
Share of profit from Subex Assurance LLP before exceptional items	1,194	912	2,528	4,628	3,878
Share of loss from Subex Digital LLP	(314)	(626)	(351)	(2,043)	(1,989)
<b>Total (i)</b>	<b>880</b>	<b>286</b>	<b>2,177</b>	<b>2,585</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>880</b>	<b>286</b>	<b>2,177</b>	<b>2,585</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 had resulted in longer opportunity conversion cycle and lower spends towards IT solutions, the management had carried out the annual impairment exercise as at December 31,2020 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 March 31, 2021, the management has reassessed its projections and assumptions and has concluded that, the carrying value of its intangible asset and investments in its subsidiaries is appropriate.
- (ii) During the previous year ended March 31, 2020, the Company 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 paid an amount of ₹ 820 Lakhs (net of ₹ 234 Lakhs recoverable from such employees). Accordingly, the aforesaid litigation is amicably settled.
- 5 Represents gain arising on termination of the lease agreement of existing office premises in India, accounted in accordance with Ind AS 116 – Leases.
- 6 During the year ended March 31, 2021, service tax receivable of ₹ 267 lakhs had been provided considering the uncertainty with regards to its realisation.
- 7 (i) During the previous year ended March 31, 2020, the MAT credit entitlement of ₹ 425 Lakhs had been provided considering the uncertainty with regards to its utilisation.
- (ii) Represents reversal of provision in respect of foreign withholding taxes deducted/ deductible by the overseas customers of the Company, no longer required.
- 8 The Board of Directors in its meeting held on February 07, 2020, 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 approved the said Scheme vide its order dated September 23, 2020. Consequently, the Company filed a certified copy of Order with Registrar of Companies ("ROC") on September 29, 2020 and 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.
- 9 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.
- 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.
- 11 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 12 The Board of Directors at its meeting held on February 01,2021 has declared an interim dividend of ₹ 0.50/- (10 %) per equity share on face value of ₹ 5/- each for the financial year 2020-2021. The Board of Directors has also recommended a final dividend of ₹ 0.25/-(5 %) per equity share on face value of ₹ 5/- each for the financial year 2020-2021. This payment is subject to the approval of shareholders in the forthcoming Annual General Meeting of the Company.
- 13 (a) With effect from January 1, 2021, the Company has carried out strategic re-organization and decided to centralize certain key Sales and Business support functions, to drive better efficiency of scale and overall operations. Accordingly, all such employees in sales and business support functions from other group entities in India have been transferred to the Company.
- (b) Pursuant to the above re-organisation, common costs pertaining to sales and business support function amounting to ₹ 1,406 Lakhs (including ₹ 422 Lakhs up for the period from April 01, 2020 to December 31, 2020) has been recovered by the Company with an agreed mark-up from other group entities and is reflected under revenue from operations. Similarly, an amount of ₹ 135 Lakhs (including ₹ 117 Lakhs for the period from April 01, 2020 to December 31, 2020) has been charged to the Company by other group entities and is reflected under marketing and support charges.
- 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 17, 2021

Vinod Kumar Padmanabhan  
Managing Director & CEO

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

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**Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2021**

(₹ in Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	Audited	Unaudited	Audited	Audited	Audited
	Refer note 17		Refer note 17		
1 Revenue from operations (Refer note 16)	9,616	9,388	10,427	37,203	36,498
2 Other income	172	106	335	474	563
<b>3 Total income (1+2)</b>	<b>9,788</b>	<b>9,494</b>	<b>10,762</b>	<b>37,677</b>	<b>37,061</b>
<b>Expenses</b>					
Employee benefits expense (Refer note 4)	5,017	5,256	4,152	19,720	17,454
Finance costs	45	38	119	296	477
Depreciation and amortization expense	223	424	392	1,378	1,508
Exchange fluctuation loss/(gain), net	291	449	(848)	989	(887)
Other expenses	1,993	1,648	3,297	6,644	10,513
<b>4 Total expenses</b>	<b>7,569</b>	<b>7,815</b>	<b>7,112</b>	<b>29,027</b>	<b>29,065</b>
<b>5 Profit before exceptional items and tax (3-4)</b>	<b>2,219</b>	<b>1,679</b>	<b>3,650</b>	<b>8,650</b>	<b>7,996</b>
<b>Exceptional items</b>					
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)
Provision for service tax receivable (Refer note 6)	-	-	-	(267)	-
Gain on termination of lease agreement (Refer note 7)	-	-	-	554	-
<b>6 Total exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>287</b>	<b>(31,766)</b>
<b>7 Net profit/ (loss) before tax (5+6)</b>	<b>2,219</b>	<b>1,679</b>	<b>3,650</b>	<b>8,937</b>	<b>(23,770)</b>
<b>8 Tax expense, net</b>					
Current tax charge	639	49	35	696	117
Provision for MAT credit [Refer note 8 (i)]	-	-	425	-	425
(Reversal)/provision - foreign withholding taxes [Refer note 8 (ii)]	(541)	208	105	399	754
Deferred tax charge/(credit) (Refer note 9)	561	551	(114)	2,670	1,849
<b>Total tax expense</b>	<b>659</b>	<b>808</b>	<b>451</b>	<b>3,765</b>	<b>3,145</b>
<b>9 Net profit/ (loss) for the period/ year (7-8)</b>	<b>1,560</b>	<b>871</b>	<b>3,199</b>	<b>5,172</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	61	455	(200)	636	5
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Re-measurement gain/(loss) on defined benefits plan	26	(14)	21	(12)	(34)
<b>Total other comprehensive income/ (loss)</b>	<b>87</b>	<b>441</b>	<b>(179)</b>	<b>624</b>	<b>(29)</b>
<b>11 Total comprehensive income/ (loss) for the period/ year (9+10)</b>	<b>1,647</b>	<b>1,312</b>	<b>3,020</b>	<b>5,796</b>	<b>(26,944)</b>
12 Paid up equity share capital (Refer note 10) [face value of ₹ 5 each w.e.f September 29, 2020 and ₹ 10 upto September 28, 2020]	28,100	28,100	56,200	28,100	56,200
13 Other equity	-	-	-	26,755	(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 10):					
- Basic	0.29	0.16	0.59	0.96	(4.94)
- Diluted	0.28	0.16	0.59	0.94	(4.94)

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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, 2021	March 31, 2020
	Audited	Audited
<b>A ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,177	434
Right-of-use assets	1,962	4,424
Goodwill on consolidation	34,409	34,409
Other intangible assets	-	3
Financial assets		
Loans	300	533
Other balances with banks	39	189
Income tax asset (net)	3,479	3,305
Deferred tax asset	125	262
Other non-current assets	-	267
	<b>41,491</b>	<b>43,826</b>
<b>Current assets</b>		
Financial assets		
Loans	220	104
Trade receivables	9,215	9,206
Cash and cash equivalents	14,294	9,043
Other balances with banks	379	67
Other financial assets	6,428	5,264
Other current assets	639	588
	<b>31,175</b>	<b>24,272</b>
<b>Total Assets</b>	<b>72,666</b>	<b>68,098</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	28,100	56,200
Other equity	26,755	(4,661)
<b>Total equity</b>	<b>54,855</b>	<b>51,539</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Lease Liabilities	1,575	3,458
Provisions	275	355
Deferred tax liabilities(net)	6,289	3,774
	<b>8,139</b>	<b>7,587</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings (Refer note 15)	584	-
Lease Liabilities	420	1,409
Trade payable		
- total outstanding dues of micro enterprises and small enterprises	66	41
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,245	1,605
Other financial liabilities	3,045	2,212
Other current liabilities	2,935	2,342
Provisions	791	649
Income tax liabilities (net)	586	714
	<b>9,672</b>	<b>8,972</b>
<b>Total liabilities</b>	<b>17,811</b>	<b>16,559</b>
<b>Total equity and liabilities</b>	<b>72,666</b>	<b>68,098</b>

**SUBEX LIMITED**  
**Consolidated statement of cash flows for the year ended March 31, 2021**

(₹ in Lakhs)

Particulars	Year ended	
	March 31, 2021	March 31, 2020
	Audited	Audited
<b>(A) Operating activities</b>		
<b>Profit/(loss) before tax expense</b>	8,937	(23,770)
<i>Adjustments to reconcile profit/(loss) before tax expense to net cash flows:</i>		
Depreciation of property, plant and equipment and right-of-use assets	1,375	1,503
Amortization of intangible assets	3	5
Gain on disposal of property, plant and equipment (net)	(4)	-
Interest income (including fair value changes)	(374)	(156)
Finance costs (including fair value changes)	296	477
Allowance for expected credit losses	(153)	289
Expense on share based payment	148	101
Gain on termination/modification of lease agreement	(554)	(6)
Provision no longer required written back	-	(761)
Advance recoverable written-off	-	234
Provision for service tax receivable	267	-
Impairment of goodwill	-	31,473
Net foreign exchange differences	720	(744)
<b>Operating profit before working capital changes</b>	<b>10,661</b>	<b>8,645</b>
<i>Working capital adjustments:</i>		
(Increase)/ decrease in loans	299	52
(Increase)/ decrease in trade receivables	(63)	(181)
(Increase)/ decrease in other financial assets	(1,010)	(718)
(Increase)/ decrease in other assets	(43)	(2)
Increase/ (decrease) in trade payables	(437)	643
Increase/ (decrease) in other financial liabilities	573	(669)
Increase/ (decrease) in other current liabilities	514	328
Increase/ (decrease) in provisions	5	(17)
	<b>10,499</b>	<b>8,081</b>
Income tax paid (including TDS, net of refund)	(1,404)	(1,457)
<b>Net cash flows from operating activities</b>	<b>9,095</b>	<b>6,624</b>
<b>(B) Investing activities</b>		
Purchase of property, plant and equipment	(862)	(353)
Proceeds from sale of property, plant and equipment	7	-
Movement in margin money deposit (net)	(154)	426
Purchase of treasury shares by ESOP trust	(22)	(611)
Interest received	309	108
<b>Net cash flows used in investing activities</b>	<b>(722)</b>	<b>(430)</b>
<b>(C) Financing activities</b>		
Proceeds from exercise of ESOP	141	25
Proceeds from borrowings	600	-
Interest paid	(271)	(452)
Repayment of lease liability	(931)	(907)
Payments of dividend	(2,746)	-
<b>Net cash flows used in financing activities</b>	<b>(3,207)</b>	<b>(1,334)</b>
<b>(D) Net increase in cash and cash equivalents (A+B+C)</b>	<b>5,166</b>	<b>4,860</b>
Net foreign exchange difference on cash and cash equivalents	85	236
Cash and cash equivalents at the beginning of the year	9,043	3,947
<b>(E) Cash and cash equivalents at the end of the year</b>	<b>14,294</b>	<b>9,043</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 May 17, 2021.					
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, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	Audited	Unaudited	Audited	Audited	Audited
	Refer note 17		Refer note 17		
Total income	2,573	510	2,727	5,510	3,170
Net profit/ (loss) before tax expense	1,186	125	2,217	2,651	(20,470)
Net profit/ (loss) for the period/ year	1,157	129	2,099	2,622	(20,588)
Total comprehensive income / (loss) for the period/ year	1,162	127	2,082	2,622	(20,609)
4 Employee benefits expenses for the quarters ended March 31, 2021, December 31,2020 and March 31, 2020 are net of reversal of provision no longer required, in respect of employee incentives relating to sales and delivery commissions, amounting to ₹ 486 Lakhs, ₹ 43 Lakhs and ₹ 678 Lakhs, respectively, and that for the year ended March 31, 2021 and March 31, 2020 amounting to ₹333 Lakhs and ₹ 692 Lakhs respectively.					
5 (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. As at March 31, 2021, the management has reassessed its projections and assumptions and has concluded that, the carrying value of it's goodwill is appropriate. (ii) During the previous year ended March 31, 2020, the Company 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 paid an amount of ₹ 820 lakhs (net of ₹ 234 Lakhs recoverable from such ex-employees). Accordingly, the aforesaid litigation was amicably settled.					
6 During the year ended March 31, 2021, service tax receivable of ₹ 267 lakhs has been provided for considering the uncertainty as regards to its realisation.					
7 Represents gain arising on termination of the lease agreement of existing office premises in India, accounted in accordance with Ind AS 116 – Leases.					
8 (i) During the previous year ended March 31, 2020, the MAT credit entitlement of ₹ 425 Lakhs has been provided considering the uncertainty with regards to its utilisation. (ii) Represents reversal/provision in respect of foreign withholding taxes deducted/ deductible by the overseas customers of the Group. Considering the expected utilisation of foreign withholding taxes, provision of ₹ 723 Lakhs (including provision of ₹ 279 Lakhs as at April 01, 2020) made during the earlier quarters, has been reversed during the quarter ended March 31, 2021.					
9 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.					
10 The Board of Directors in its meeting held on February 07, 2020, 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 approved the said Scheme vide its order dated September 23, 2020. Consequently, the Company filed a certified copy of the Order with Registrar of Companies ("ROC") on September 29, 2020 and 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.					
11 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.					
12 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.					
13 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.					
14 The Board of Directors at its meeting held on February 01,2021 has declared an interim dividend of ₹ 0.50/- (10 %) per equity share on face value of ₹ 5/- each for the financial year 2020-2021. The Board of Directors has also recommended a final dividend of ₹ 0.25/-(5%) per equity share on face value of ₹ 5/- each for the financial year 2020-2021.This payment is subject to the approval of shareholders in the forthcoming Annual General Meeting of the Company.					
15 The US Federal government in the wake of COVID 19 pandemic has provided support to business through Paycheck Protection Program (PPP). Subex Inc. have obtained a benefit under this scheme for ₹ 600 Lakhs during May 2020. This loan is eligible for forgiveness on fulfillment of certain conditions. Subex Ind. has applied for forgiveness and application is pending with Small Business Administration, United States government agency for review and approval (SBA). Pending, approval of the forgiveness application, the benefit is reflected as borrowings and in the event the application is not approved, the benefit needs to be refunded along with interest @ 1% p.a.					
16 In the quarter and year ended March 31, 2020, revenue from operations included revenue from sale of hardware amounting to ₹ 993 Lakhs.					
17 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 17, 2021				Vinod Kumar Padmanabhan Managing Director & CEO	
For further details on the results, please visit our website: <a href="http://www.subex.com">www.subex.com</a>					