

**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 Unaudited Standalone Financial Results for quarter and nine months ended December 31, 2021**

(₹ in Lakhs)

Particulars	Quarter ended			Year to date figures for the nine months ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Income</b>						
1 Revenue from operations [refer note 6]	2,078	1,559	222	5,206	1,225	2,916
2 Share of profit from Limited Liability Partnerships(net) (refer note 3)	-	-	286	-	1,705	2,585
3 Other income	2	-	2	4	7	9
4 <b>Total income (1+2+3)</b>	<b>2,080</b>	<b>1,559</b>	<b>510</b>	<b>5,210</b>	<b>2,937</b>	<b>5,510</b>
<b>Expenses</b>						
Employee benefits expense [refer note 6]	1,078	1,065	165	3,239	474	1,361
Finance costs	3	4	1	9	13	14
Depreciation and amortization expense	41	42	52	124	151	193
Share of loss from Limited Liability Partnerships(net) (refer note 3)	491	113	-	475	-	-
Other expenses [refer note 6]	558	286	167	1,136	603	1,060
5 <b>Total expenses</b>	<b>2,171</b>	<b>1,510</b>	<b>385</b>	<b>4,983</b>	<b>1,241</b>	<b>2,628</b>
6 <b>(Loss)/ profit before exceptional items and tax (4-5)</b>	<b>(91)</b>	<b>49</b>	<b>125</b>	<b>227</b>	<b>1,696</b>	<b>2,882</b>
<b>Exceptional items</b>						
Gain on termination of lease agreement	-	-	-	-	36	36
Provision for service tax receivable	-	-	-	-	(267)	(267)
7 <b>Total exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(231)</b>	<b>(231)</b>
8 <b>Net (loss)/ profit before tax (6-7)</b>	<b>(91)</b>	<b>49</b>	<b>125</b>	<b>227</b>	<b>1,465</b>	<b>2,651</b>
<b>Tax expense, net</b>						
Current tax charge	65	28	-	116	6	35
Deferred tax (MAT credit entitlement)	(65)	(28)	-	(116)	-	-
Reversal - foreign withholding taxes	-	-	(4)	-	(6)	(6)
<b>Total tax expense</b>	<b>-</b>	<b>-</b>	<b>(4)</b>	<b>-</b>	<b>-</b>	<b>29</b>
10 <b>Net (loss)/ profit for the period/ year (8-9)</b>	<b>(91)</b>	<b>49</b>	<b>129</b>	<b>227</b>	<b>1,465</b>	<b>2,622</b>
<b>Other comprehensive income/ (loss), net of tax</b>						
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Re-measurement loss on defined benefits plan	(8)	(17)	(2)	(25)	(5)	-
12 <b>Total comprehensive (loss)/ income for the period/ year (10+11)</b>	<b>(99)</b>	<b>32</b>	<b>127</b>	<b>202</b>	<b>1,460</b>	<b>2,622</b>
13 Paid up equity share capital [face value of ₹ 5 (March 31, 2021: ₹ 5)]	28,100	28,100	28,100	28,100	28,100	28,100
14 Other equity	-	-	-	-	-	22,066
15 <b>(Loss)/ Earnings per share (of ₹ 5/- each) (not annualised in case of the interim periods)</b>						
- Basic	(0.02)	0.01	0.02	0.04	0.27	0.49
- Diluted	(0.02)	0.01	0.02	0.04	0.27	0.48



**Notes:**

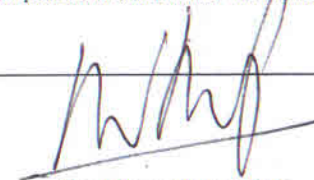
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on January 31, 2022.
- The financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("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.
- Share of profit/ (loss) from Limited Liability Partnerships are as follows:

Particulars	Quarter ended			Year to date figures for the nine months ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Share of profit from Subex Assurance LLP	188	601	912	1,588	3,434	4,628
Share of loss from Subex Digital LLP	(679)	(714)	(626)	(2,063)	(1,729)	(2,043)
<b>Total</b>	<b>(491)</b>	<b>(113)</b>	<b>286</b>	<b>(475)</b>	<b>1,705</b>	<b>2,585</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.

- 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.
- 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.
- Effective January 1, 2021, the Company had 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 had been transferred to the Company. During the quarter ended December 31, 2021, quarter ended September 30, 2021 and nine months ended December 31, 2021, the common costs pertaining to sales and business support function amounting to ₹ 1,212 Lakhs, ₹ 1,110 Lakhs and ₹ 3,380 Lakhs respectively had been recovered by the Company with an agreed mark-up from other group entities and is reflected under revenue from operations.
- The Board of Directors of the Company in its meeting held on October 28, 2021 has approved the restructuring of the business, subject to all requisite approvals, wherein the business carried out by Subex Assurance LLP will be transferred to Subex Limited on a 'going concern' basis excluding Developed Technology and Investment in subsidiaries. The aforesaid restructuring is being carried out to achieve higher operational efficiencies upon integration and consolidation of business in the listed entity. The Company has sought approval of shareholders through postal ballot notice dated January 17, 2022 and the result of e-voting will be announced on or before Friday, February 25, 2022.
- On December 6, 2021, the Company experienced a cybersecurity incident related to ransomware. The Company could contain the incident in a timely basis and has also ensured that all traces of the infection are completely cleared from the network. All affected systems were restored and brought back to normalcy in the order of priority. The management has assessed the impact of the incident on the control environment and the financial statement process and conclude there was no material impact on the financial results. Since then, the Company has also been focused on implementing significant improvements to its cyber and data security systems to safeguard from such risks in the future.

Place: Bengaluru  
Date: January 31, 2022

  
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: 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 Unaudited Consolidated Financial Results for quarter and nine months ended December 31, 2021**

(₹ in Lakhs)

Particulars	Quarter ended			Year to date figures for the nine months ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations	8,774	8,630	9,388	25,464	27,587	37,203
2 Other income	69	97	106	837	302	474
3 <b>Total income (1+2)</b>	<b>8,843</b>	<b>8,727</b>	<b>9,494</b>	<b>26,301</b>	<b>27,889</b>	<b>37,677</b>
<b>Expenses</b>						
Employee benefits expense (Refer note 4)	5,488	5,442	5,256	16,037	14,703	19,720
Finance costs	88	33	38	162	251	296
Depreciation and amortization expense	252	246	424	740	1,155	1,378
Other expenses	2,483	2,198	2,097	6,014	5,349	7,633
4 <b>Total expenses</b>	<b>8,311</b>	<b>7,919</b>	<b>7,815</b>	<b>22,953</b>	<b>21,458</b>	<b>29,027</b>
5 <b>Profit before exceptional items and tax (3-4)</b>	<b>532</b>	<b>808</b>	<b>1,679</b>	<b>3,348</b>	<b>6,431</b>	<b>8,650</b>
<b>Exceptional items</b>						
Provision for service tax receivable	-	-	-	-	(267)	(267)
Gain on termination of lease agreement	-	-	-	-	554	554
6 <b>Total exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>287</b>	<b>287</b>
7 <b>Net profit before tax (5+6)</b>	<b>532</b>	<b>808</b>	<b>1,679</b>	<b>3,348</b>	<b>6,718</b>	<b>8,937</b>
8 <b>Tax expense, net</b>						
Current tax charge	160	164	49	416	57	696
Provision - foreign withholding taxes (Refer note 5)	281	162	208	508	940	399
Deferred tax (credit)/ charge (including MAT credit entitlement) (Refer note 6)	(117)	-	551	386	2,109	2,670
<b>Total tax expense</b>	<b>324</b>	<b>326</b>	<b>808</b>	<b>1,310</b>	<b>3,106</b>	<b>3,765</b>
9 <b>Net profit for the period/ year (7-8)</b>	<b>208</b>	<b>482</b>	<b>871</b>	<b>2,038</b>	<b>3,612</b>	<b>5,172</b>
10 <b>Other comprehensive income/ (loss) 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	(54)	(33)	455	63	575	636
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Re-measurement loss on defined benefit plan	(35)	(67)	(14)	(105)	(38)	(12)
<b>Total other comprehensive (loss)/ income</b>	<b>(89)</b>	<b>(100)</b>	<b>441</b>	<b>(42)</b>	<b>537</b>	<b>624</b>
11 <b>Total comprehensive income for the period/ year (9+10)</b>	<b>119</b>	<b>382</b>	<b>1,312</b>	<b>1,996</b>	<b>4,149</b>	<b>5,796</b>
12 Paid up equity share capital [face value of ₹ 5 (March 31, 2021: ₹ 5)]	28,100	28,100	28,100	28,100	28,100	28,100
13 Other equity	-	-	-	-	-	26,755
14 Earnings per share (of ₹ 5/- each) (not annualised in case of the interim periods)						
- Basic	0.04	0.09	0.16	0.37	0.67	0.96
- Diluted	0.04	0.09	0.16	0.37	0.66	0.94



**Notes:**

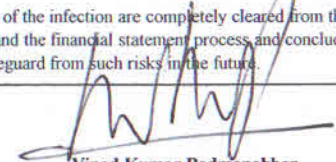
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on January 31, 2022.
- The financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("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 nine months ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total income	2,080	1,559	510	5,210	2,937	5,510
Net (loss)/ profit before tax	(91)	49	125	227	1,465	2,651
Net (loss)/ profit for the period/ year	(91)	49	129	227	1,465	2,622
Total comprehensive (loss)/ income for the period/ year	(99)	32	127	202	1,460	2,622

- Employee benefits expenses for the quarter ended December 31, 2021, September 30, 2021 and December 31, 2020 are net of reversal of provision no longer required, in respect of employee incentives, amounting to ₹ 184 Lakhs, ₹ 327 Lakhs and ₹ 43 Lakhs, respectively, and for the nine months ended December 31, 2021 and December 31, 2020 amounting to ₹ 786 Lakhs and ₹ 333 Lakhs, respectively and for the year ended March 31, 2021 amounting to ₹ 333 lakhs.
- 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 made during the earlier quarters, has been reversed during the year ended March 31, 2021.
- 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. Effective April 1, 2021 considering the favourable order received, no additional liability is created in respect of aforesaid tax benefits.
- 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.
- 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.
- The US Federal government in the wake of COVID 19 pandemic provided support to business through Paycheck Protection Program (PPP). Subex Inc. obtained a benefit under this scheme for ₹600 Lakhs during May 2020. During the nine months period ended December 31, 2021, Subex Inc. obtained complete waiver of the loan amount from Small Business Administration, United States government agency and accordingly the loan and interest accrued thereon was recognised as other income.
- The Board of Directors of the Company in its meeting held on October 28, 2021 has approved the restructuring of the business, subject to all requisite approvals, wherein the business carried out by Subex Assurance LLP will be transferred to Subex Limited on a 'going concern' basis excluding Developed Technology and Investment in subsidiaries. The aforesaid restructuring is being carried out to achieve higher operational efficiencies upon integration and consolidation of business in the listed entity. The Company has sought approval of shareholders through postal ballot notice dated January 17, 2022 and the result of e-voting will be announced on or before Friday, February 25, 2022.
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