BEYOND BOUNDARIES
BREAKING CONVENTION

Annual Report 2020-2021

SUBEX

ANNUAL REPORT
2020-2021

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and make informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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BEYOND BOUNDARIES
BREAKING CONVENTION

One of the biggest lessons from the pandemic is that change is the only constant in business. Since the onset of the crisis, the definition of normal life and work has changed radically. Traditional technologies were challenged, remote work models were put to the ultimate test, digital transformation projects were accelerated at break-neck speed, and businesses faced tougher demands than ever before. It is our agility and resilience to embrace change that has helped us move forward - To overcome tough market challenges, adapt to new styles of work, think beyond the boundaries of traditional business areas, reimagine our future, and develop cutting-edge AI innovations like HyperSense that break conventions. We understand the power of AI - the potential it has - to analyze data, generate insights, drive automation, solve difficult problems, and most importantly, give organizations the agility, and confidence they need to adapt to change – no matter what the future holds. With HyperSense, we are now bringing that power of AI to the enterprises and everyone within the enterprise. The future of data analytics is here, and we are ready.

STRATEGIC FRAMEWORK

OUR PURPOSE

TO UNLOCK POSSIBILITIES

- Customers
- Partners
- Subexians
- Shareholders

OUR VISION

TO BE THE GLOBAL LEADER IN ENABLING DIGITAL TRUST

GOALS

- **VIBRANT SUBEX**
- **REVENUE GROWTH**

OUR VALUES

- Think Customer
- Make It Happen
- Create Value
- Win Together
- Be Open Be Fair

OUR STRATEGY

3 HORIZON STRATEGY

Expand the core

- Revenue Assurance
- Fraud Management
- Partner Ecosystem Management
- Network Asset Management
- Capacity Management
- HyperSense

Growth in New Areas

- Subex Secure
- Analytics Center of Trust

Invest in New Verticals (Multi-vertical SaaS)

- IDcentral

Chairman's Statement

Message from

Anil Singhvi
Chairman of the Board

Dear Shareholders,

The global pandemic caused by COVID-19 has resulted in 'the new normal', which has led to a disruption in lives, livelihoods, and businesses, worldwide. Despite the challenges posed by the pandemic, I am pleased to say that the management, through active guidance and support from the Board, was able to navigate through the uncertainty adeptly. Today, we are a zero-debt Company with a strong balance sheet and a net cash balance of over ₹ 140 crores, giving considerable scope to invest in many exciting areas, even in this challenging environment.

I have always valued how Subexians rise to meet every challenge and opportunity. On behalf of the Board, I thank them for taking the company to new heights during the last year. Their determination and passion symbolize our values and vision statement in adapting to unforeseen challenges to ensure that all our customer projects were uninterrupted, especially at a time when our customers needed us the most.

A look back at our journey over the last 10 years.

Overall, during the period FY10 to FY17, Company went through a very difficult period; one marked by a failed acquisition, losses, declining revenues, negative cash flow, and above all, a deteriorated reputation. It was a tumultuous period for all stakeholders during which the world expected the Company to declare bankruptcy, and customers too, were concerned over their ongoing projects with Subex. Despite the hardships Company had to face in the last decade, none of its customers left us.

The Board steered the company through this difficult period and handled intense negotiations with the bondholders to convert the majority of the FCCB debt into equity. This helped in resolving a major issue of the long-term debt overhang and was a significant milestone in the journey of Subex. Without the overhanging challenge of debt, the Company now has the flexibility and resources to look towards new areas of investment and innovation.

In the year 2018, Company extended into new areas outside the core products of revenue management. This required inviting strategic partners and talent to grow in these areas. The board also made changes to the management, who relooked at the strategic focus of the business and identified a 3-Horizon framework of growth for the business, in close discussions with the board.

The Company's performance and cash position have consistently been improving since FY19 onwards. Today, we are a zero-debt Company with a strong balance sheet and a net cash balance of over ₹ 140 crores, giving considerable scope to invest in many exciting areas.

Retaining Key Talent – Launch of ESOP Scheme

While the focus shifted entirely towards sustainability and growth of the business, it was equally important to invest and retain the best of talent, being the core asset within the Company. The equity base of the Company is widely held with no Promoter shareholding. The launch of the Subex Employees Stock Option Scheme-2018 enabled the Company to buy up to 5% of the Equity Shares from the Secondary Market thereby strengthening the management and creating an opportunity for Subex to be one of the larger employee-owned Indian Listed Companies. This also helps the Company in providing stability and retaining key talent.

Right sizing the Balance Sheet - Capital reduction Scheme

As we addressed the issue of the debt overhang due to the FCCB loan and converted them to equity, the board realized that there was a need to address and resolve the issue of the Company's large equity capital base and accumulated losses, to create value for the shareholders.

To serve the purpose, the Company underwent a scheme of capital reduction. As part of the exercise, the capital reduction was carried out by writing off the accumulated losses against the share capital and share premium of the company and reducing the face value of the equity shares from ₹ 10/- to ₹ 5/- each. After its full implementation in FY21, the capital reduction resulted in making the balance sheet leaner and downsized. The restructuring of the financials today enables the Company to have a rational structure that is commensurate with the current business, allowing it to serve the equity better.

Financial highlights FY21

The Company performed well in FY21 and closed the year with growth and profitability. The revenue for the year stood at ₹ 372 crores as against ₹ 365 crores in FY20, which translates to a 2% growth. EBITDA margins ended at ₹ 98.5 crores as against ₹ 94.2 crores in FY20. Profit after tax was at ₹ 51.7 crores as against a loss of ₹ 269.2 crores in FY20.

Rewarding your patience – Shareholder's Dividend

The Company's performance and cash position have consistently been improving since FY19 onwards. The Company today has a cash balance of over ₹ 140 crores as against peak debt of ₹ 602 crores in the past.

Given the overall improvement in the business performance and healthy cash balances, your board felt it was time to reward the shareholders for their immense patience and support to the company over the years. It is a matter of great satisfaction to me, that the board announced a dividend of 15% after a long gap of 14 years.

Business update – FY22 Outlook

We are making good progress in the new areas, and I am also excited to see the early interest for HyperSense, our new augmented analytics platform, and a path towards a successful transition to a SaaS-based business. As the industry continues to focus on enhanced efficiency and reduced capital expenditure, the prospects of Subex continue to be brighter than ever, indicating better performance ahead with the clarity of purpose and mission of stability. Further, with Digital Trust gaining more prominence both at a business and societal level, Subex's offerings will continue to increase their relevance in the digital era and look forward to the future with more excitement. You will find more detailed information in further sections of this annual report on Subex's journey towards enabling Trust in the digital ecosystem.

I take this opportunity to thank all the stakeholders once again for standing by the Company. The Company remains resolutely committed to deliver enhanced value to all stakeholders and feels confident to achieve results through our focus on core and growth areas.

With Warm regards,
Anil Singhvi
Chairman of the Board

A MESSAGE FROM OUR CHIEF EXECUTIVE

Dear Shareholders,

I hope you are safe and doing well. As I write this, I reflect on the profound impact the pandemic has had on our lives - We have all faced tremendous challenges in some form or the other. We have also witnessed the power of human unity, and resilience to overcome the crisis. As the pandemic continues, it is important than ever before for us to stand strong, and stay true to our values to safeguard our employees, customers, stakeholders, and the communities we operate in. I wish for you and your loved ones to be safe and healthy. These are trying times, but I am optimistic that we will come out of this stronger. On that note, I would like to share the progress and updates made by your company in the last financial year and the outlook for the year ahead.

We stand strong.

Last year, we adapted quickly and realigned our objectives, and strategies to protect the wellbeing of our stakeholders. The agility helped in ensuring business continuity for our customers in 90+ countries and supporting new enterprises in their digital transformation journey. I am happy to share that despite the pandemic, we managed to perform well and move forward with our business objectives. The pandemic has increased digitization across verticals and digital technology has become a must-have for sectors like manufacturing that traditionally have been disconnected from the internet. With the increased dependence on online channels, Digital Trust has become pivotal for the sustenance of today's business and security is a top priority for enterprises across verticals. We understand our unique differentiation as enablers of this new digital ecosystem and our critical role in helping our customers to build digital trust. As a company, we are committed to fulfilling this crucial role - to make the digital ecosystem more secure and to help our customers succeed in their digital journeys. As we move forward, we will continue to empower our customers to accelerate their digital transformation projects, build customer trust, gain resilience, and move forward.

With HyperSense, we are entering a new phase of growth in a multi-vertical environment and will be expanding our product offering to new industry verticals beyond telecom.

Growth in the face of adversity

Amidst the challenges of pandemic, we performed well in FY21 and closed Q4 with growth and profitability. Lock down in various geographies affected our business development and deliveries in the first half of last financial year. However, from the mid of Q3 things started improving and we were able to close the year with a good order book. We were also successful in completing the capital reduction process as planned in November. We diversified our product portfolio with the launch of HyperSense, the new-age Augmented Analytics Platform. As we head into FY22, we will continue to adapt to new market trends and focus on high-return business assets to meet our revenue goals.

Welcoming a new phase of growth with HyperSense

We started the company's platform journey with the launch of HyperSense - our new augmented analytics platform that has generated favorable interest in the market. According to IDC, the big data and analytics market is expected to grow at a five-year CAGR of 12.5%. The analytics market size is forecasted to reach $500 billion by 2025. With HyperSense, we are democratizing enterprise AI and venturing into this emerging market segment. We are entering a new phase of growth in a multi-vertical environment and will be expanding our product offering to new industry verticals beyond telecom. To deliver greater value to our clients, we will be moving all our flagship products to HyperSense. The strategic shift will begin with Horizon 1 products that generate most of our revenue such as fraud management, revenue assurance, partner ecosystem management, and capacity management. We have also augmented our entire solution suite to support 5G and new-age digital requirements. We built an advanced Partner Ecosystem Management offering for our telecom clients. We also entered several strategic partnerships for Blockchain to drive innovation and accelerate its adoption to tackle complex challenges of the industry. The company's Capacity Management solution has also gained a considerable amount of traction in the year.

A customer-first approach to support the digital ecosystem

Our IoT Security solution has been upgraded to address Operational Technology (OT) use cases. With our ability to secure converged networks that have OT and IoT deployments, we are well-positioned to explore new growth opportunities in this sector. We also added new features such as Vulnerability Management and Micro-segmentation into our product to meet specific client needs. Our current clientele includes maritime, appliance manufacturers, automotive manufacturers, and enterprises in the O&G sector. We are also strategically collaborating with key distributors and resellers to take our new geography-focused cybersecurity solutions to the market. We are also seeing greater adoption of our cybersecurity products in the telecom sector with increased deployment of 5G-enabled services. We will continue to develop new product capabilities and build strategic partnerships for market expansion.

Building inspiring products that create an impact and build digital trust
On Horizon 3, we are supporting AI/ML technological innovations through our startups such as IDcentral. IDcentral is an identity verification system that's part of the new age API economy and is designed to strengthen the digital ecosystems of telecoms, e-commerce, fintech, and other verticals. We are exploring several key use cases such as onboarding based on the API economy model with multiple clients from various industries. We are primarily targeting identity and onboarding marketing. We will continue to work tirelessly to build impactful, inspiring products to help our clients succeed and further our vision to build digital trust.

Nurturing talent and driving innovation
We are proud of what we have achieved as a team despite the several challenges we faced due to the lockdown and the rapid transition to a new hybrid model of work. We were able to come together as a team and deliver value to our customers with grit and determination. We expanded our R&D capabilities within AI lab, enhanced our threat research capabilities and launched new products. To provide required bandwidth in product engineering, delivery and business development organization we increased our headcount by 25%. We also increased our investments in Learning and Development of Subexians and have adopted frameworks like LPE (Leadership Performance Expectation), CA (Career Architecture) and OKR (Objective and Key Results) to improve our performance. Talent acquisition and retention will be a key area of focus and will be essential to building Subex as a fast-growing technology company.

We are committed to building a better future

As we move forward, we stand strong in our vision to make the digital world trustworthy and thereby unlocking possibilities for all our stakeholders. We will continue to work hard, innovate, invest in the right technologies to overcome challenges, deliver value to our customers, investors and Subexians.

Thank you for supporting us, believing in us, and being a part of our journey.

Warm regards,
Vinod Kumar Padmanabhan
Managing Director &
Chief Executive Officer

INVESTOR FACTSHEET

Subex is a pioneer in enabling Digital Trust for businesses across the globe. Founded in 1994, Subex has spent over 25 years in helping Global Communications Service Providers maximize their revenues and profitability. Having served the market over the last 25 years by providing world-class solutions for business optimization and analytics, Subex is now leading the way by enabling all-round Digital Trust in the business ecosystems of its customers. Focusing on privacy, security, risk mitigation, identity and intelligence, Subex helps businesses embrace the disruptive changes in the business landscape and succeed with Digital Trust.

STOCK PROFILE

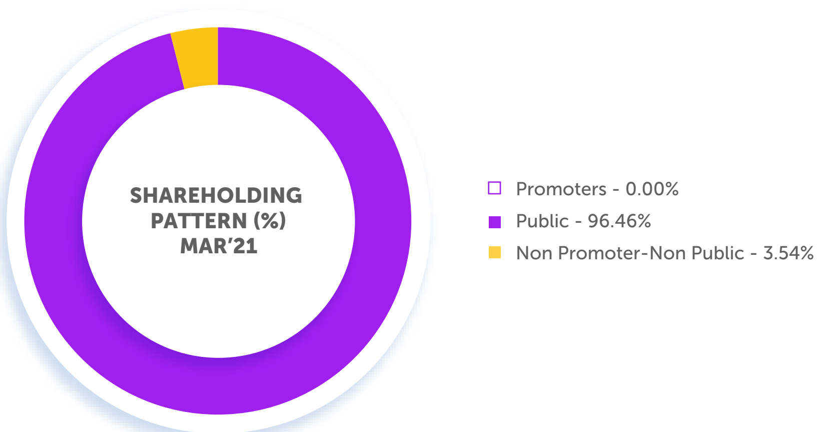
Sector	IT Software Products
BSE	SUBEX I 532348
NSE	SUBEXLTD
Incorporated	December 06, 1994
Issued Shares (Cr)	56.2
Share Price* (₹)	62.2
Market Cap* (₹ Cr)	3,493
52-week H/L Range (₹)	67.40 - 7.06
Float as % of O/S Shares	84%

*Share Price and Market Cap (BSE) as on 17th May'21

VALUATION MAR '21

EV/Sales (x)	4.68
EV/ EBITDA (x)	16.07

Source: ThomsonOne



QUICK FACTS

1994
Foundation of Company

25+
Years of experience

1000+
Employees

300+
Global Installations

90+
Countries

200+
Customers Globally

35+
Industry Awards

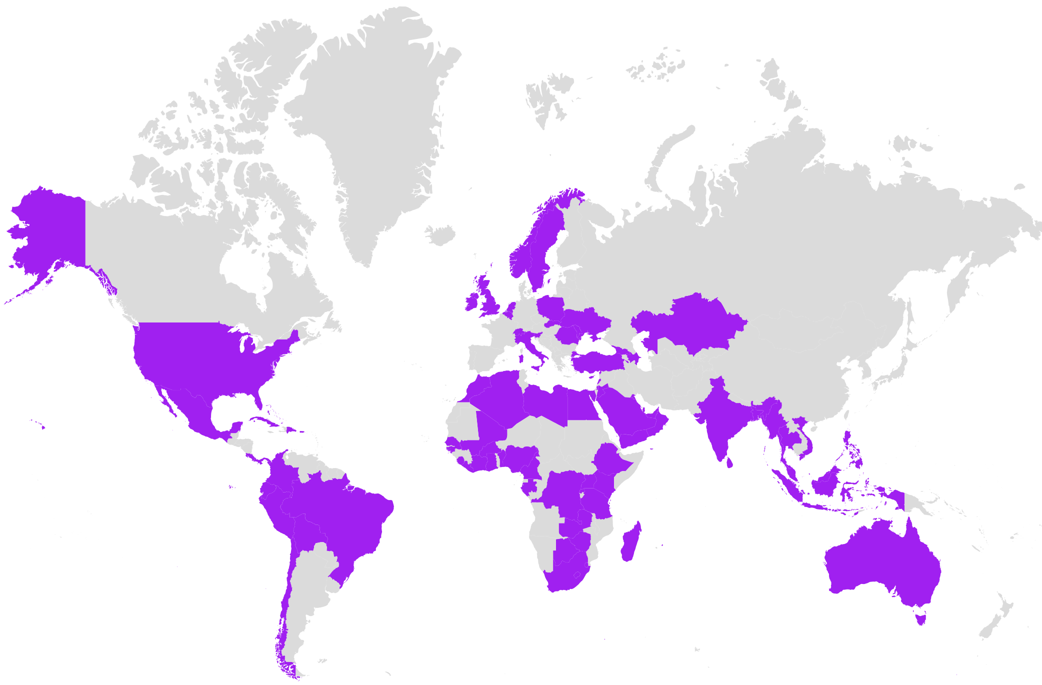
US$ 3 mn
R&D spend in new areas

US$ 40 mn
Order Book in FY21

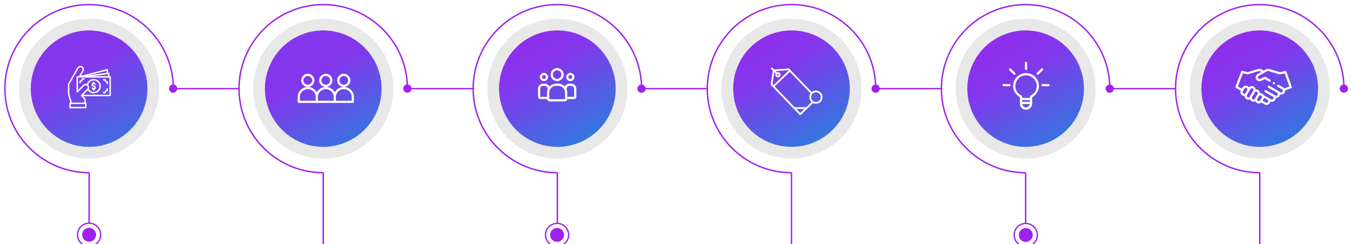
INVESTMENT HIGHLIGHTS

- Leader in Digital Trust space and helping businesses thrive by leveraging Digital Trust as a competitive advantage
- Making strong inroads in the multi vertical IoT Security space; IoT Security Market is expected to touch US$ 4.5 billion by 2022
- Incubating virtual startups within the organization to diversify into new areas and verticals
- Sticky Revenue Model – about 60% of revenue is annuity / recurring and >98% customer retention
- Investing heavily in newer areas like Digital Trust and AI/ML, Augmented Analytics and Deep learning-based anomaly detection
- With launch of HyperSense and progress on IOT-Security and IDcentral company transitioning towards a Platform based SaaS business model
- Passionate and committed team led by Vinod Kumar Padmanabhan, MD & CEO, with clear focus to put the Company on growth track

WHERE WE OPERATE



OUR DISTINCTIVE RESOURCES



FINANCIAL STRENGTH

Our strong balance sheet and robust cash flows, gives us the strength and ability to invest in Horizon 2 and 3 areas and upgrade our products in core business with latest technologies. Last year we invested $ 3 Mn in horizon 2 & 3 related initiatives

PEOPLE

The commitment & make it happen attitude of 1000+ Subexians is a foundation of our business

CUSTOMERS

Our wide and long standing customer base is the strength of our business. We have 200+ customers in 90+ countries

OUR BRANDS

We are also incubating virtual startups within Subex and we own 2 brands: Subex Secure & IDcentral

INNOVATION

The virtual startups is a testimony of continuous investment in R&D to stay at the forefront of the industry trends

PARTNERS & SUPPLIERS

Our partners & suppliers also form a core of our ecosystem

OUR BUSINESS AT GLANCE

The pandemic has “fundamentally accelerated” the process of digital transformation across industries including rapid migration to the cloud and the move to work from home. Shifting dynamics in terms of consumer behavior and content consumption has clearly led to a drastic increase in the generation of data and information during the period. The usage of digital technologies became the norm, thereby leading to a faster and broader adoption of data and predictive analytics, cognitive automation and AI, application and infrastructure platforms, digital reality, digital supply networks, smart factories, and e-commerce. Furthermore, the pandemic has accelerated the shift of off-line processes to on-line across the spectrum of the organisation’s function.

Amidst the uncertainty of the pandemic, one thing has become evident: Cultivating trust has become more critical than ever. Trust is the centerpiece for every interaction on a personal, societal and business level — in both traditional and digital business models.

With the lines blurring between the digital and physical worlds, multiple disparate elements like people, processes and products come together to work in tandem. Digital Business revolves around agile and ephemeral digital interactions and leverages digital supply chains that are established dynamically to enable each interaction. In such a scenario Digital Trust becomes the key enabler for high-quality digital interactions by measuring and quantifying expectations of an entity – specifically validating who or what it claims to be, and if it will behave in an expected manner within a digital business transaction. Digital Trust is viewed as the lifeblood or currency of digital business, and it wraps around every aspect of digital business.

As an organization handling huge volumes of data from different sources, structures and at varying velocities for more than two decades, Subex is well poised to help businesses leverage Digital Trust to succeed in the digital era. Focusing on privacy, security, risk mitigation, identity and intelligence, Subex leverages its world-class software suite to help organizations infuse Trust into their digital ecosystems. Subex helps drive Digital Trust across multiple dimensions addressing Transactional Trust, Competence Trust and Representational Trust across its customers’ businesses, consumers and partners. Addressing each of these dimensions of trust is necessary to create an all-encompassing, robust and fail-proof framework for Digital Trust, and our portfolio of products and solutions is designed to do exactly that.

To summarize, multi-dimensional, multi-directional Digital Trust is the key to succeed in the digital era, and Subex is leading the way by enabling businesses create inspiring digital experiences.

PRODUCTS & SERVICES

HyperSense

- HyperSense is an end to end augmented analytics platform that uses machine learning and AI to assist with data preparation, insight generation, and insight explanation to augment how enterprises explore and analyze data
- It is a cloud-native and SaaS-based platform that democratizes AI across the entire data value chain and delivers agility, elasticity and scalability

Business Assurance

- It is an active risk intelligence-based platform where the customers can assess and address impacts in near real-time or proactively.
- It provides the most comprehensive AI/ML tooling in the Business Assurance industry with the largest operational library of controls from over 25 years of implementation experience.
- Offers Cloud Native with auto-scaling, subscription model ensures for value-added rolling upgrades and User controllable TCO based on only what you use.

Fraud Management

- Built to increase fraud prevention by eliminating known frauds, uncovering new fraud patterns, minimizing fraud run time, augmenting internal controls, and supporting continuous fraud management process improvements
- Combines a traditional rules engine, advanced AI/ML capabilities and a scalable architecture to ensure proactive detection of fraudulent activities on the network

Network Asset Management

- Helps operators save millions of dollars through its analytics-driven asset harvesting insights
- Provides a framework to audit network assets, evaluate inventory and make a business case for a network upgrade
- Offers an in-depth view of network assets and inventory to optimise opex as well as capex
- Drives smarter network capital investment and network asset lifecycle management through its AI/ML-based capabilities

Capacity Management

- Provides proactive, actionable business intelligence with the power of AI/ML capabilities to ensure operators can provide customers with a superior experience
- Leverages proprietary ML models to improve accuracy and efficiency in network planning and optimization
- Make accurate decisions quickly to maximize network ROI and ensure competitive advantage

Partner Ecosystem Management

- A convergent solution that offers a 360-degree view of the evolving telecom ecosystem across Mobility, Content, and Entertainment, 5G for Business Enterprise and Internet of Things
- Identify the right partners for your business and onboard them quickly through a configurable workflow-based process to add new revenue streams.
- Leverage automation and data analytics to facilitate accurate billing and settlement to manage revenue and margins across interconnect, digital partners, enterprise and roaming.
- Create transparent partnerships by allowing partners to access critical information and make informed business decisions.

ACT (Analytics Center of Trust)

- Provides an end-to-end analytics framework to ensure a successful Analytics Journey
- Ensures the right analytics strategy by establishing CSPs current maturity, defining the business vision, and identifying the required roadmap
- Delivers real-time insights on the shifts in trends across the spectrum through a trusted information infrastructure powered by AI/ML Capabilities
- Provides Analytics-as-a-Service to provide actionable business intelligence around Product, Customer, Risk, and Revenue

Subex Secure

Subex Secure's agentless and non-intrusive solution:

- Discovers and maps all IT-OT and IoT devices across the network (both managed and un-managed) assesses risks and helps prioritize fixes
- Mitigates cyber risks by applying micro-segmentation and various policies to facilitate trusted network behavior
- Detects anomalies and threats in real-time within the network to break the attack kill chain
- Remediates cyber attacks with automated playbooks aligned to industry frameworks
- Offers critical infrastructure grade security

IDcentral

- A comprehensive identity repository enabling enterprises to convert attributes to digital identities
- Identity verification and authentication solutions based on phone number and alternate ID
- Data driven intelligence for a comprehensive behavioral score of your consumers

"Trusted and Secure", "Platforms and Services": The Future of Subex

A conversation with

Vinod Kumar Padmanabhan, Managing Director & Chief Executive Officer

Our CEO Vinod Kumar outlays the experiences of the pandemic and how Subexians made the company beat hard times

With the rapid acceleration of digitization driven by the COVID-19 pandemic, the topic of Digital Trust is even more relevant to everyone with a digital business. Digital Trust is becoming the key enabler for high quality digital interactions by measuring and quantifying expectations with customers. It is viewed as the centerpiece for success, from enhancing brand image, customer experience and adopting new technologies to bringing in investments, rolling out new offerings and expanding the partner ecosystem.

As data breaches continue to occur with increasing frequency, digital trust will gain momentum – shifting from a "nice to have" to a necessity.

Mr. Vinod Kumar, MD & CEO, Subex brings his perspective on the future of Subex with platforms powered by AI and blockchain. He talks about why Subex is the fastest growing technology company. He also talks about how Subexians have rallied together to make this future a reality. Here are the excerpts of the interview:

There is life before the pandemic and life after, it's almost like the world woke up to transform itself - how was the year for you personally and for the company?

The global pandemic, COVID-19, has halted life as we know it and it is here to stay for a while. Like every other organization, we also hurriedly packed our desks to work from home, thinking we would be back within a few weeks. As the coronavirus pandemic leapt from a handful of outbreak zones to the rest of the country, weeks stretched into months, we had to take quick decisions and adapt to a new way of working. As an organization enabling critical operations for customers in over 90 countries, our objective was to ensure the right balance between safety of our Subexians while ensuring smooth running of our operations with minimal business impact our customers.

While setting up "work from anywhere" was relatively easy, what was challenging was ensuring the shift of mindset from measuring the productivity based on activities and tasks to measuring it based on outcome. Every day is a new learning and we are trying our level best to adjust to this paradigm shift. We also recently moved into a new office space and ensured that the new office is prepared for its new role as a collaboration hub by creating more meeting spaces.

I am happy to state that despite the pandemic, we have managed to sustain the momentum, that we had built before the crisis and moved forward on planned projects. Multiple challenges were placed in front of us; however, we could band together and deliver value to our customers with grit and determination. This has resulted in us finishing the year on a positive note. We had announced deals with a few marquee names for our core products. At the same time, our newer focus areas like IoT Security, Capacity Management, and IDcentral also had good traction, and we should see more growth coming from these areas in the next year. Moreover, we have augmented our entire product suite to support 5G and other digital requirements, by leveraging AI/ML capabilities. This product strategy and our focus on Digital Trust continue to see an encouraging response from customers. As we move forward, a key area of focus for us will be HyperSense, our new, no-code, augmented analytics platform.

Whenever there is a crisis, Subexians rally together and we become an effective team. There has been a lot of effort from every Subexian, to ensure that the effect of this phase is minimal to our customers. We are grateful to say that majority of our customers have been extremely cooperative and are fully supporting our operations in a BCP mode.

Has the digital economy converged business functions (Finance, Marketing etc.) with technology? Are business users now required to be closer to IT and Data Science?

The world is being overrun with data. The survey say that 2.5 quintillion bytes of data is produced by humans every day and they will only get bigger in years to come. The concern here is not the staggering amount of data, it is about what do we do with data is what matters. Companies that leverage data to drive decision-making, gain a competitive advantage, reduce business costs, and increase profit.

Majority of CxOs agree that their teams need to more effectively leverage data to extract business insights. Many enterprises struggle with data-related issues such as organizing multiple sources of data, a lack of collaboration between their business teams and data science team, low data accuracy, data silos and poor data accessibility.

In order to get maximum value out of the data, enterprise s need to ensure that all stakeholders are actually using the same data to make decisions; they need to make sure they are working from a single source of truth. This will provide decision-makers with a clearer picture of the data they have and the obstacles that stand in the way of an optimized data strategy.

Our focused strategy towards Digital Trust, remains strengthened, and this is one of the factors that has enabled us to compete well and win large deals in the recent past.

Having a single source of truth will help enterprises bridge the gaps between disparate systems and departments that deal with infinite data streams providing decision makers with right data at the right time.

Alongside, our 25 years of experience dealing with analytics, especially in the telecom industry, has taught us how to integrate and manage data at scale and solve some of the most complex problems. We have brought all that learning to the recently launched HyperSense – an augmented analytics platform for our enterprise customers.

People don't want to share data (there is GDPR and a host of committees across the world protecting consumers) - so when we talk digital transformation we also need to build "distributed" digital trust in this new age economy - where are we on this journey of establishing digital trust between all parties?

Digital Trust is now quickly becoming a top priority for global leaders, and the society is moving towards definitive action on it, leading to increasing investments in the area. Our focused strategy towards Digital Trust, remains strengthened, and this is one of the factors that has enabled us to compete well and win large deals in the recent past. If the lifeblood of the digital economy is data, its heart is digital trust— it is the level of confidence in people, processes, and technology to build a trusted digital world. The concept of trust has been through significant evolution in human history. Earlier trust was based on one-to-one interactions and personal reputation. Next came institutional trust when we went through mass urbanization and institutional trust was imperative to trade internationally. Now technology is leading by taking institutional power and distributing it across a wide range of sources.

For Subex, enabling digital trust for our customers and their stakeholders is a three-tiered framework of risk mitigation, identity & security and intelligence & privacy, and is built into all our products and solutions. We are living in an increasingly interconnected world personally and professionally. It is imperative that a tight circle of trust is developed, to ensure customer experience is always positive.

Overall, we are progressing steadfastly towards our vision of being the leaders in the space of enabling digital trust, which will result in significant value addition to all our stakeholders".

How is AI becoming the core for Subex?

AI is becoming a crucial element of Subex's solutions suite. We take Artificial Intelligence very seriously! Towards this, Subex AI Labs was started three years ago with a charter to embed AI in Subex's product suite. Subex AI Labs leverages the latest and greatest in the field of AI and applies them to solve business challenges in the digital world. Our data scientists love massive and complex datasets, and this space is to showcase their work! This lab based in Bangalore functions across development, delivery, fulfilment and operations. Some of the popular products include the Alternate Credit Scoring Model, e-KYC module for verification using AI and CrunchMetrics – an AI based anomaly detection, causation and alert engine.

We leverage AI and ML models that can automatically learn patterns when we crunch billions of transactions and make predictions on a real- time basis, mitigate issues such as data theft and frauds and also helps enterprises identify the opportunities they can profit from. Our recent launch of HyperSense, an end-to-end Augmented Analytics platform helps enterprises make faster, better decisions by leveraging Artificial Intelligence (AI) across the data value chain aimed at democratising AI at scale.

Can you explain more about HyperSense. How do you envision this solution benefiting your customers, and how does this new platform change the playing field and addressable markets for Subex?

HyperSense will be a gamechanger for both our customers as well as Subex. For enterprises, HyperSense will change how AI is adopted within business teams. For Subex, HyperSense marks the start of the company's platform journey and will improve our ability to roll out products to the market faster.

According to IDC, the big data and analytics market is expected to grow at a five-year CAGR of 12.5%. The analytics market size is forecasted to reach $500 billion by 2025.

Using AI in business is not straightforward. There are issues around having data which is organized in a way that AI can leverage. Around 70 to 80% enterprises struggle with uniform AI and data stack, along with attracting and retaining great talent. While dealing with some of the seemingly impossible problems to solve in enterprises, we got inspired to build HyperSense.

HyperSense will be a gamechanger for both our customers as well as Subex. HyperSense marks the start of the company's platform journey and will improve our ability to roll out products to the market faster.

As mentioned earlier, HyperSense is an end-to-end Augmented Analytics platform that helps enterprises make faster, better decisions by leveraging Artificial Intelligence (AI) across the data value chain. Built on our extensive data analytics experience, HyperSense contains all the Augmented Analytics capabilities enterprises need in one flexible and modular platform. HyperSense's unique no-code capabilities allow users without a knowledge of coding to easily aggregate data from disparate sources, turn data into insights by building, interpreting, and tuning AI models, and effortlessly share their findings across the organization.

We are all fascinated with blockchain - give us insight in to your blockchain experiments?

With Subex's strategy of enabling businesses to build trust within the digital ecosystem, we believe that blockchain-based technologies will play an important piece to that puzzle. Towards this, we have made significant strides towards leveraging blockchain in solving challenges across multiple use cases such as fraud management and partner settlement.

We have been members of few industry consortiums like GLF's CBN initiative to work towards democratizing trust and simplifying the settlement process by using blockchain and RAG Wangiri Blockchain Consortium, to develop real-time industry threat intelligence on fraud by utilising blockchain.

We definitely see some challenges in the blockchain adoption. This because of the low performance of enterprise blockchain and the complexity of the technology. It takes more than a couple of telcos to justify a blockchain because essentially it enables a peer-to-peer network, so the more participants there are, the value of the blockchain becomes so much higher.

Can you tell us about the work Subex is doing in the space of IoT?

As the world gets absorbed by the COVID-19 pandemic, cyberattacks have become a critical area for all technology-focused organizations. Hackers have been exploiting various means of stealing valuable and sensitive corporate data. One common means of hacking systems is via the Internet of Things (IoT) route.

Our IoT Security solution has been upgraded to address Operational Technology (OT) use cases. With our ability to secure converged networks that have OT and IoT deployments, we are well-positioned to explore new growth opportunities in this sector. We also added new features such as Vulnerability Management and Micro-segmentation into our product to meet specific client needs. Our current clientele includes maritime, appliance manufacturers, automotive manufacturers, and enterprises in the O&G sector. We are also strategically collaborating with key distributors and resellers to take our new geography-focused cybersecurity solutions to the market. We are also seeing greater adoption of our cybersecurity products in the telecom sector with increased deployment of 5G-enabled services. We will continue to develop new product capabilities and build strategic partnerships for market expansion.

Talk about customers and partners and how they supported you over last year?

For Subex, it has been a testing period, since we are handling sensitive data of our customers globally, we could not have moved an inch without getting their consent. There were many regulations we had to pass through and garner multi-level permissions to move in to work from anywhere set up. It was important to keep our customers and partners informed about our business continuity plan. I should acknowledge that our customers and partners have been very reasonable and supportive to effortlessly move in into remote working. Infact, many customers wrote to us that they did not feel that the BCP had kicked in and the operations were managed remotely in a seamless manner.

Each Subexian works tirelessly, channelizing all their energy and skills to meet the needs of our customers and partners. They do whatever it takes to get the job done.

Talk about your team and how they stood by company values during the pandemic?

I feel proud to be associated with Subex and Subexians. We are united by our values of Make it Happen, Win Together, Think Customer, Create Value, and Be open Be Fair, that make us undefeatable during such crisis. I would like to acknowledge and appreciate the strength in our team. Each Subexian works tirelessly, channelizing all their energy and skills to meet the needs of our customers and partners. They do whatever it takes to get the job done.

I am thankful for the continued efforts of every Subexian, and through the support of our customer and partner community, we have been able to keep operations steady and witness sustained growth for our business. We have been able to truly demonstrate our capabilities and relevance in helping the telecom world meet the new challenges and capitalize on hidden opportunities posed during this period.

Why is startup thinking relevant today?

I guess it is important to have a startup mindset to stay innovative and keep growing. Fast, intense, and incredibly purpose-driven: that's what a startup looks like. At Subex, we strongly believe that Innovation can come from anywhere, anytime, hence Subexians in all job functions and at all levels are encouraged to come up with innovative ideas and they are given the support needed to implement them.

Now the trickiest part for established organizations like us is balancing the sustenance of existing business while also building new products and solutions for customer to stay ahead of the curve. That's why we have adopted a three-horizon strategy. Horizon 1 comprises traditional business focused on risk management for its telecom clients. Horizon 2, which has just hit the market, is a top growth area with focus on internet of things (IoT), security, and analytics. Horizon 3 is its identity analytics and automated anomaly detection offering. This has helped us to be more innovative as It carves out space and money for breakthrough innovations without neglecting our current business.

Subex is a listed company and there are rules and regulations, yet, within that ambit we do work like a startup. I am confident that when these products succeed it will become a handbook for established enterprises to work like startups.

After a gap of 14 years, Subex has announced a 10 percent interim dividend. What are the factors behind this announcement?

We were at the brink of a disaster and we came back from a difficult past. It was definitely a great sense of satisfaction to announce the dividend after a gap of 14 years.

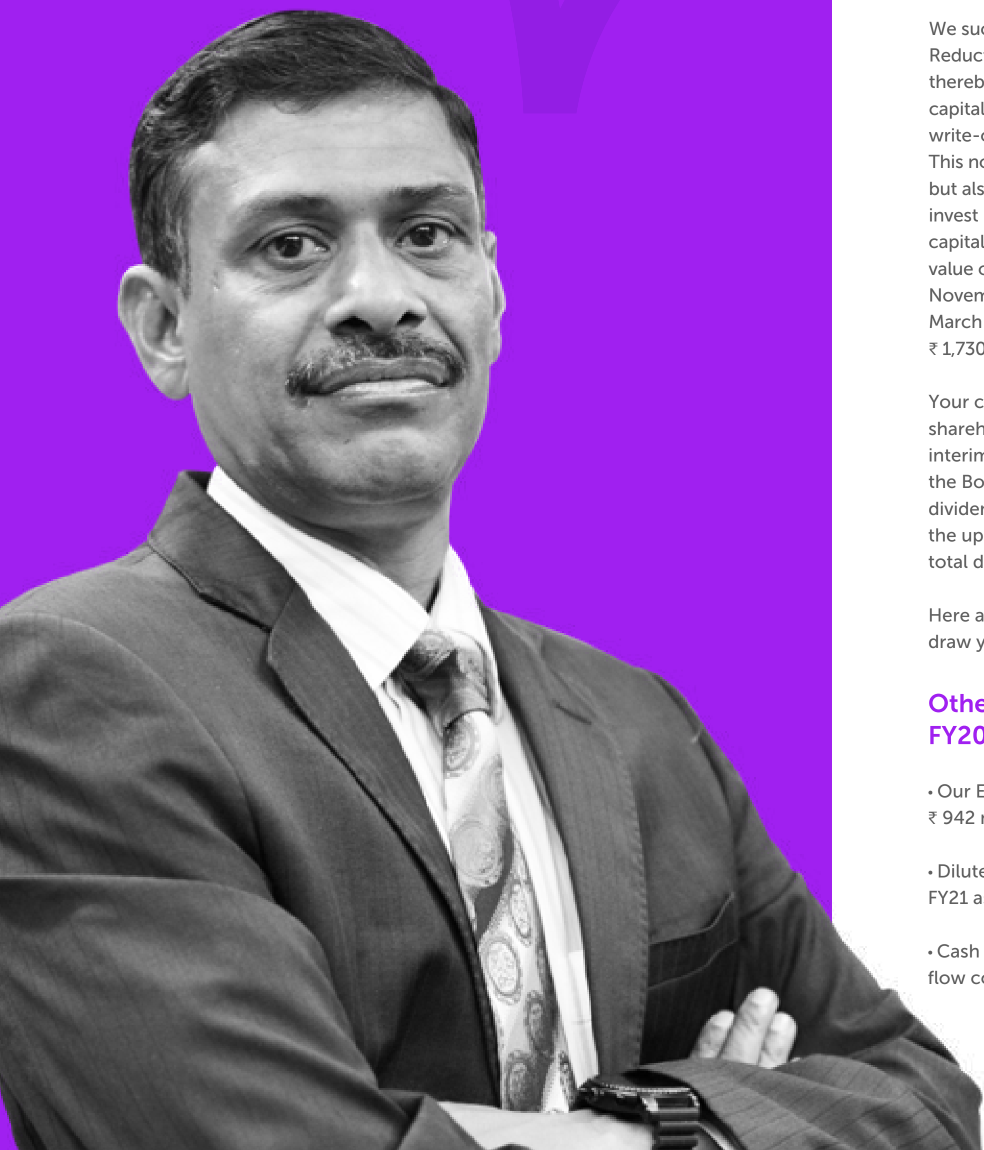
There was such a big debt overhang for several years and for a long period of time we could not do anything because of balance sheet challenges. Towards the end of 2017-18, a significant portion of the debt on our balance sheet was cleaned up and the company became completely debt free.

To address the company's large equity base and bring it in line with our current size of the business, we looked at multiple options and chose to do a capital reduction. The write-off against the paid-up share capital was achieved by reducing the face value of the share from ₹ 10 to ₹ 5. This exercise has saw a positive response from our shareholder community, indicative of the fact that we have achieved a market capitalisation in excess of ₹ 1,500 crores (as on 1st December, 2020) after a gap of 12 years. As a result of this exercise, we were able to also offset the accumulated losses. Subsequently based on the cash position post our investment needs, the board decided to declare dividends totaling to 15% for FY21. I am thankful to our shareholders and other stakeholder in trusting and supporting us during this period. Our focus will be to put the company back on aggressive growth.

Stronger Together

A conversation with

**Venkatraman G S,
Chief Financial Officer &
Senior Vice President**



The pandemic has brought about years of change in the way companies in all sectors and regions do business. It has significantly accelerated the pace of adoption of digital transformation technologies placing utmost relevance and importance on Digital Trust.

Digital trust is a concept that enables users to carry out business transactions in a safe, secure, ethical, and reliable manner. Subex continues to lead the way in enabling digital trust to our customers and we have covered in detail the progress we have made in this journey in rest of this annual report.

Despite the challenging business environment in FY20-21 your company delivered a good performance financially. Your company achieved revenue growth of 2% to close the financial year with revenues of ₹ 3,720 Million. Our profitability continued to be strong and our Profit Before Tax for the year was ₹ 893.7 Million versus a loss last year.

We successfully completed the process of Capital Reduction exercise which we commenced in FY19-20, thereby utilizing ₹ 2,810 million from paid-up share capital and ₹ 1,030 million from securities premium to write-off its accumulated losses of ₹ 3,840 million. This not only helped in cleaning up the balance sheet, but also improved free cash flows that enabled us to invest in newer businesses and service our reduced capital base well. The new equity shares, with face value of ₹ 5 was listed in the stock exchanges w.e.f. 5th November 2020. Our market capitalization end of March 2021 was more than ₹ 20,000 million as against ₹ 1,730 Million end of FY20.

Your company also got back to paying dividend to shareholders after a long gap of 14 Years with an interim dividend of 10% in February 2021 followed by the Board of Directors recommending a final dividend of 5%, which is subject to your approval in the upcoming Annual General Meeting. Thereby a total dividend of 15%.

Here are a few other financial highlights I wanted to draw your attention to:

Other Financial Highlights of FY2020-21

- Our EBITDA grew 4.6% to ₹ 985 million in FY21 from ₹ 942 million in FY20.

- Diluted Earnings Per Share is ₹ 0.94 per share in FY21 as against a loss of ₹ 4.94 per share in FY20

- Cash flow conversion (EBITDA to operating cash flow conversion) has been impressive at 92.3% and

We will continue to make investments in new areas as these investments will help us identify the next set of products which will help us grow faster and also take our products and solutions to verticals outside of telecom.

Free Cash Flow at ₹ 824 million. During FY20, our cash flow conversion was 70.3% and Free Cash Flow was ₹ 627 million.

• Days Sales Outstanding (DSO) on trade receivables improved from 92 days in FY20 to 90 days in FY21.

Other sections of this annual report highlight the initiatives and activities taken up by Subex in our effort to be responsible corporate citizens. We remain dedicated to enhancing transparency and to maintain disclosure to shareholders through various additional disclosures such as Board's Report, Management Discussion and Analysis, Consolidated and Standalone Ind-AS financials and Shareholder's Information.

Strategic Highlights of FY2020-21

• We are excited with the launch of HyperSense our new augmented analytics platform that helps enterprises make faster, better decisions by leveraging Artificial Intelligence (AI) across the data value chain. Hypersense helps democratize AI across enterprises, it contains all the Augmented Analytics capabilities enterprises need in one flexible and modular platform. Its unique no-code capabilities allow users without a knowledge of coding to easily aggregate data from disparate sources, turn data into insights by building, interpreting, and tuning AI models, and effortlessly share their findings across the organization.

• With HyperSense your company will transition from a traditional on-prem License, Support business and revenue model to a Platform based SaaS company. Your company will start transitioning to a subscription-based revenue from our existing license, implementation, and support revenues. We will continue to keep you updated on the progress we are making in this important transition. As our Horizon 2 and 3 products like IOT-OT Security, IDcentral start scaling, the revenue models for these products are also subscription/device/API pull based. This will help your company further strengthen its position as a SaaS based product company.

• We continue to make good progress and make investments in our new areas like IOT-OT Security, Analytics, IDcentral as part of our Horizon 2 & 3 strategic focus areas. There are more updates on the progress your company is making on these areas in rest of this annual report.

• During the year your company carried out a strategic re-organization and centralized certain key Sales and Business support functions into the listed entity, to drive better efficiencies of scale and overall operations.

Outlook for FY2021-22

• Looking forward in FY22, we expect customer demand for digital and transformational services as they invest into data and cloud-enabled solutions. HyperSense our new augmented analytics platform, will enable us offer cloud enabled solutions by using low code AI and data analytics. We are also working to transition all our existing products of Business Assurance, Fraud Management, Partner Settlement on to this platform, so that our customers can experience the full benefits of the digital transformation the platform can help exploit and drive business benefits to our customers.

• HyperSense as a platform will also help us to solve business problems of customers in verticals outside of Telecom and thereby addressing a larger market.

• In FY22 your company is expecting to grow revenues in double digits. Historically Subex Q1 revenues have always been a little weaker and hence we expect that to continue in Q1 of FY22 as well, but we hope to step up pace in the rest of the quarters to help us meet our expected revenue growth for the year. Will continue to focus on running the operations of the company efficiently so that we continue to maintain and improve our overall operating margins.

• As called out earlier we will continue to make investments in new areas called out under Horizon 2 & 3, as these investments will help us identify the next set of products which will help us grow faster and also take our products and solutions to verticals outside of telecom.

Our success has been possible due to the outstanding efforts of our Finance and Procurement team at Subex that I am so honored and proud to lead. The past year has been extremely challenging to all our teams, and they have stepped up to the challenges of remote working and ensured they do not drop the ball on any of our core operations and strategic initiatives we had called out at the beginning of the year. I thank all the Subexians, Clients, Investors, Bankers, Auditors and Advisors for their trust and support to us and gratefully acknowledge their contribution in working towards our vision of being a global leader in Digital Trust.

The Future is in Collaboration and Partnerships

A conversation with

Suresh Chintada, Chief Technology Officer

It is very important for businesses today to keep pace with technology, and this holds true for Subex as well. Today, Subex has pushed its products and solutions ahead of the technological trends with the use of emerging technologies like Artificial Intelligence and Blockchain. Through its startups like IDcentral, the company has also pioneered the use of digital identity management and AI in analytics.

Recently, Subex unveiled Its latest no-code augmented analytics platform 'HyperSense', which allows organizations to make the best use of cloud native micro-services architectures through its studio-based approach. HyperSense is the fruition of Subex's vision to democratize AI and to enable enterprises to easily infuse AI into their business decisions.

To put the above into context, Our CTO, Suresh Chintada, discusses the roadmap of our 25-year-old startup. Through this interview you will learn why Subex is at the forefront of the 5G revolution and what the future holds for the company. Here are the excerpts:

Give us a quick peek into the evolution of technology at Subex?

For Subex, since the very beginning, our core customer base has been the telecom segment. Anyone who has ever worked in the telecom space can testify that telcos have access to a vast amount of data, probably the largest across any industry. This vast dataset holds significant amount of insights, opportunities and red flags. But the challenge comes from leveraging this data. Towards this, Subex has been partnering and co-creating with our customers by leveraging data to solve complex issues such as maximizing revenue, preventing revenue leakages, combatting fraud, Capex and network optimization etc. We have been leveraging our expertise in data engineering and dealing with the large-scale data, even before big data became a mainstream word. To put it simply, we understand analytics.

Over the years the software that we offered was largely built for on-prem deployment with traditional relational databases and as the technology progressed, we adopted Hadoop as a platform and made innovations around big data.

Today, with rapid digitalization of enterprises and CSPs journey towards becoming a digital telco, we are now seeing an increased adoption and migration to cloud infrastructures. Moreover, the increasing maturity of AI and ML practices and their move towards mainstream to solve complex problems, provided us with an opportunity to move to a larger playing field. Customers today want control in their hands to choose their best course of action to solve their problems. This led us to go back to the drawing board and on one hand, reimagine the way we were serving our customers and on the other, reimagine how our customer will be conducting business in the future.

The need of the hour was to go beyond a traditional software license-based model; deliver the value in a much shorter cycles of innovation; equip customers to make better and efficient decisions using the data they already have and bring the data to life using bleeding edge advanced data science and AI/ML techniques. Of course, what was imperative, was to successfully achieve the above while keeping the basic tenets of security, scalability, affordability and performance, which are at the heart of our Digital Trust vision. In summary, at Subex our endeavor is to help our customers cross the chasm of using AI capabilities to get a disproportionate advantage, despite the harsh realities of lack of data science skills.

The resultant of this is HyperSense, our new platform, built on open cloud native micro services architecture which makes things composable. With a studio-based approach, HyperSense now puts the solution in the hands of the customer.

You recently announced the launch of HyperSense - an augmented analytics platform. Could you please brief about the capabilities of HyperSense?

Today CSPs need a plethora of solutions to solve different problems, be it, churn management or campaign management. All the complexity also requires CSPs to constantly upgrade in-house skills, which comes at a cost. To aggravate the challenges, they work with siloed datasets leading to suboptimal solutions.

What HyperSense provides is a robust way to handle data at the fundamental layer, where it helps aggregate and organize the data for an enterprise, to ensure value to

At Subex our endeavor is to help our customers cross the chasm of using AI capabilities to get an unfair advantage, despite the harsh realities of lack of data science skills or long tail cycles.

insights. The most important thing for enterprises is to move data from silos into adding value to the bottom-line. HyperSense facilitates this data journey by organizing data into a highly composable studio-based architecture.

HyperSense, as part of our initial offering, has five studios which we think is essential to solve any end-to-end use case. The Data Management studio handles data governance aspects like curation of data, cleaning of data and finally validating it and putting the data in the warehouse.

The Business Modeling studio helps in codifying business rules that can run on the data. It will simulate business processes to aggregate performance. It will help in segregation, filtering, comparison, enrichment, and augmentation of the data.

The AI Studio provides all the smarts to make decisions smarter, profitable and agile. We have codified a plethora of AI/ML techniques and made them available with easy drag and drop capabilities. It minimizes the need for expensive data scientists or data science skills to solve very regular problems that occur in a business operation.

The Business Intelligence Studio offers drag and drop features to explore, analyze and visualize complex datasets. This studio supports contextual drilldowns, along with slicing and dicing capabilities. It allows you to understand the operations completely.

The Process Automation Studio essentially does the closed- loop feedback and ensures agility by having a micro-services workflow engine and helps in visualization, operations and reporting. The process automation studio facilitates collaboration with stakeholders in the organization for effective case issues and resolution.

We are fascinated with AI and ML, where are we on that journey?

Subex started on the path of AI/ML a couple of years back. If you see the emergence of AI, over the last five years, it has taken a new shape. It has become a lot more affordable and there are a lot more tools and technologies available. We have realized that a lot of enterprises have gone down the path of AI and have started to drive down some of their investments because they were not seeing any advantages from the technology, especially in terms of ROI. The lack of ROI from analytics projects has caused enterprises to drive down some of their AI investments.

To enable businesses to understand the benefits of AI we have set up AI Labs, which helps us to experiment with AI. Through our AI Labs our customers and partners can experiment before deploying AI commercially. So, we started picking up problems that are important for a customer and started putting them through the labs, and this has helped us to build up our competency in addressing issues through AI. We also took a conscious decision to incorporate an AI-first approach for every product that we put out in the market. This is a fundamental shift in how we conceptualize products today.

We also went through the journey of building the right competencies and hiring the top talent in the data science space across the last two years. We have recently been identified as the 15th among Top 50 Best Places for Data Scientist to Work in India, by Analytics India Magazine.

Give us few insights into your technology labs and virtual start-ups. How is it helping Subex to come out with innovative products and solutions?

At Subex, we are constantly working on creating an innovation pipeline of products and solutions. What we have done is create a framework or a container to house all these innovations. So, we do have an internal virtual start-up ecosystem that enables the tech entrepreneurs within the company to lead with an idea and solve problems at scale and take it to the market. This has helped us launch new solutions which solve very intriguing business problems. Our anomaly detection solution is an early example. The solution helps in detecting anomalies in any data stream. For example, a company can find out the type of attacks on its payment gateway and how the nature of these attacks changes over time. This gives power to the enterprise to protect themselves.

We have a solution called the Capacity Management, which is an AI enabled network investment planning solution. We also have IDcentral, which is a consent first identity and access management solution to help organizations leverage data while protecting customer privacy.

Apart from these, we also have technology solutions which we are incubating in the form of prototypes. and are working with our customers and partners towards creating solutions, for example a revenue reconciliation solution using Blockchain technology, and liveness detection using Deep Learning etc, So, there are several experiments happening in our organization.

Can you tell me some of the works Subex is doing around the Blockchain space and how is this going to evolve in the next few years?

Blockchain may bring the benefit of immutable trust and is a key bet for Subex. As far as tech trends go, the last year has been an unparalleled whirlwind of next-generation developments; it's also been seminal for blockchain. From cryptocurrencies to tracking vaccines, DLT is having its day and the trend is gaining pace in telecoms too.

By 2023, it is expected that blockchain's use in telecoms will be worth $993.8 million, following a compound annual growth rate (CAGR) of 84.4% since 2018

By 2023, it is expected that blockchain's use in telecoms will be worth $993.8 million, following a compound annual growth rate (CAGR) of 84.4% since 2018

Subex's move into blockchain was a natural progression and our participation in the blockchain tech space is essentially moderated by our vision of enabling trust in the digital ecosystems.

At Subex, digital trust has three components: the "non-negotiable" foundation layer of risk management; the "sustenance layer" that binds identity and security; and the strategic layer, which creates competitive advantage and supports brand reputation elements. Our view is that, on the three-point trust scale, blockchain is a layer three technology; that is, it can enhance brand reputation by delivering the immutable trust required in transactions.

There are exciting possibilities for blockchain adoption in the telco space. The immediate blockchain use cases that telcos can leverage dealer management, margin management and data governance. And it does not stop there. The decentralized, trust-based ecosystem of the future – as envisioned by us– can even deliver greater value for telcos transitioning to digital players.

In 2019, the ITW Global Leaders' Forum named Subex as one of 10 technology provider partners supporting the Communications Business Automation Network, and today we participate in several telco forums where industry use cases are discussed. We are also a member of RAG Wangiri Blockchain Consortium, working with partners to develop real-time industry threat intelligence on fraud by utilizing blockchain.

With digitalisation in full swing, the outlook for blockchain is strong. Last year, IDC forecast global spending on the tech could reach $17.9 billion in 2024, up from $4.1 billion in 2020. However, this will not be driven by telcos alone and IDC says the growth will predominantly stem from manufacturing and banking.

In short, blockchain – much like communications – will be the force multiplier across multiple industries.

We pride ourselves with industry partnerships and associations with technology forums, explain why those partnerships are bleeding edge for the future?

Partners and industry associations are crucial to the grow and push the business forward, through driving development, co-creating customer-centered approaches, and winning new markets. We essentially look at two types of partnerships. One is our technology alliances, and the other one is Business Alliances. In terms of the first aspect, we look for industry partnerships, primarily with the intention to provide solutions to our customers and accelerate outcomes. Today we have partnerships with public cloud providers which are strategic as we evolve HyperSense and look to strengthen our technology stack.

On the solution side, we collaborate with several partners, OSIs, boutique players etc to create a synergy and work on the optimal solution for our customers.

On the other side we are part of industry forums where we mainly drive thought leadership, and address industry problems. We are members of industry-leading forums, such as GSMA, CFCA, and RAG. These industry bodies meet periodically to discuss the current trends and issues around the topics of business assurance, fraud and security and come out with best practices to address the challenges faced by telcos Recently, we joined hands with the O-RAN alliance and TMForum (TMF). TMF is the most recognized global industry association in our space, that drives collaboration and collective problem-solving to maximize business success. With this membership, we are now part of an alliance of 850+ global companies and 90,000+ professionals, working together to break down technology and cultural barriers between digital service providers, technology suppliers, consultancies, and systems integrators. In line with our approach to building world class products, we will actively look at TMF driven Open Digital Framework/Open Digital Architecture guidelines to make our products and solutions offerings more robust and industry complaint. The O-RAN alliance will provide us with a platform to work on use cases leveraging our ML-based advanced network analytics solution to help drive innovation in the radio access network domain.

Teams with the best ideas are given funding, mentorship, and time off from their regular job functions to make their ideas a reality.

Could you please give us insights about the R&D cycle in our company?

In an age of rapid disruption, continuous innovation is the only way forward and to stay innovative, it is important to have a start-up mindset. At Subex, we have personally experienced success that comes from this mindset. Teams with the best ideas are given funding, mentorship, and time off from their regular job functions to make their ideas a reality. We will continue to incubate several startups and continue our spend on R&D to come out with products and solutions that will help our customers to stay ahead in their digital transformation journey.

Your thoughts on the kind of talent need to veer Subex into the future in terms of technology?

We will continue to hire top talent wherever we see a role fitment. Given the direction that Subex is taking, our current talent pool lies in the cloud space, towards cloud infrastructure, specifically for cloud-native development. On the other side hiring investments are also directed towards building further competencies around AI/ML; an area where we are expanding and up-scaling. This includes data scientists, data engineers, folks with AI/ML or Deep Learning skills, etc. Of course, as part of this journey UI UX and customer centricity is at the core, and we are looking for the top talent in those areas as well. Beyond these, we will continue to look out for programmers and OSEs, technical architects and product management talent.

Along with hiring top talents, we are also looking to upscale organically where upskilling and reskilling our current Subexians plays an important role. We have a very comprehensive Learning Management System (LMS) in place. Hence, all our engineers can get certified in certain skills that are important for us. We have also partnered with some of the industry's best MOOC providers. We also have a robust career architecture in place which helps Subexians at different levels to look at and reflect where they are on their career path and identify growth areas to move up the ladder.

IDcentral: The Platform for Identity Analytics, Verification-as-a-Service and On-boarding

A conversation with

Shiva Shankar Naga Roddam, Whole-Time Director & Chief Operating Officer

Safeguarding Digital Journeys

Even as COVID -19 slammed the brakes on in-person interactions across the globe, it simultaneously accelerated the virtualization of working models. Everything that was online was accessible; anything that was not, lagged behind. In response, companies have raced to support and retain their customers by providing digital capabilities and online experience at a speed that was previously unimaginable. As the digital economy amplifies on a global level, seamless online transactions are penetrating communities all over the world. But with this, there is a growing threat of probable frauds too. To combat this, online businesses realize they must build meaningful digital relationships with their customers based on trust. With tools like digital identity authentication, businesses can foster more transactions, build brand loyalty, and improve company reputations with their customers.

Shankar Roddam, the WTD & COO of Subex, explains how IDcentral is part of the new age API economy, and how it can strengthen the digital ecosystems of telcos, e-commerce, fintech, and other industries.

Imagine a world where two or three companies, in completely different fields, work together to benefit the consumer. A decade or so ago these were novel partnerships, done mostly for the optics than for the impact. But, with Application Programming Interface (API), two companies, and their applications, connect with each other to use data for common services and benefits for their customers. This technology-led economy is real, everything from ecommerce to telecom to fintech to food delivery uses APIs to work with each other.

Subex is betting on this economy with its internal startup IDcentral, which will help telcos to monetize data without compromising on regulations or privacy. The platform (IDcentral) will usher in an era of new revenue streams for the telco and their partners. IDcentral will helps its customers verify and onboard users by using disparate data sets.

"We believe verification, validation will continue to grow as businesses as the world needs such services. For us, the opportunity is big because telcos are custodians of the largest data sets today and when things go digital, verifying and validating identity becomes even more critical. This means every industry will require data. Startups in

Subex is going after identity and on-boarding which is a $1 billion dollar market and growing at 30 percent every year

ecommerce, retail and distribution have shot up like anything and everyone starts their engagement by onboarding a customer. All of this means that there are more and more requirements for the identity to be verified," says Shankar Roddam, the WTD & COO of Subex.

IDcentral is a platform that aggregates data from government, telcos and other sources. It uses this data to power identity verification, identity analytics, and credit verifications, which are important for things like financial inclusion too. Identity analytics can also be used to determine the credit score of the person. These however is just one such example of how identity information can be used to solve a large problem like financial inclusion or enabling trusted commerce.

"The clear path in all the use cases with our clients was onboarding. It came out as a significant problem statement for clients. There are two problem statements here for our clients: firstly they want to know if the person they are talking to, as a potential client, is actually the same person and a legitimate customer. Secondly, the client wants to influence the customer journey where they can leverage identity analytics. Onboarding is a key challenge and relevant across industries including e-commerce, and fintech," says Shankar.

The API revolution

According to Deloitte, the API revolution is upon us, public APIs have doubled making the revolution pervasive. From telecommunications, media to finance, travel and tourism, and real estate, everything is defined by APIs. States and Nations are making budget, public works, crime, legal, and other agency data and services available through initiatives such as the US Food and Drug Administration's open FDA API program.

Let us substantiate this with an example. Subex has a client, a telco, which has come together with a bank to roll out a few products. By using data together both parties win customers and make margins on the products. "We can help them with KYC, liveliness detection, anti-money laundering, onboarding and bring in a database for identifying customers faster. So we can solve multiple problems for multiple companies. We are like a lego block where we can add value to our customers by bringing in various solutions like IDcentral in combination with our IoT solutions,'' says Shankar.

That's why Subex believes in moving faster with the API economy. IDcentral provides APIs to customers and it has enabled them to work on solutions faster.

"It is the way forward and I strongly endorse this future. Subex will talk about platforms and APIs going forward. When we launched IDcentral we thought we had to evangelize the concept first, and we thought we would have to create awareness about its benefits. However, all new-age tech companies today already use the platform and API approach. We were pleasantly surprised with the readiness of the market for such a service. The cloud is a game-changer. It opens up so many possibilities. Our customers can get the accuracy, efficiency, and quick response time they are seeking. Today platforms and APIs are table stakes," says Shankar.

With APIs, Subex is going after identity and on-boarding which is a $1 billion dollar market and growing at 30 percent every year. Subex's clients are coming back to the company with several new use cases, on the API economy model, and they want Subex to solve several problems.

"The IDcentral team works as a lean startup, and we have brought in people from domains such as identity and credit lending to manage the business into the new era," says Shankar.

Cutting Through the Murkiness of Data Becomes Important for an Organization Transforming Itself

A conversation with

Rohit Maheshwari
Head of Strategy & Products

Rohit Maheshwari, is the head of product management at Subex, and a old hand. He has been in Subex for over 20 years. He takes great pride on how the company is ready for the future. He believes, like everyone in Subex's top brass, that the future is in platforms and not niche products. He talks about how the transformation is happening and lays down why Subex and its platforms approach is well poised to transform customers. Here are the excerpts of the interview:

Subex: What has the pandemic done to businesses across the world?

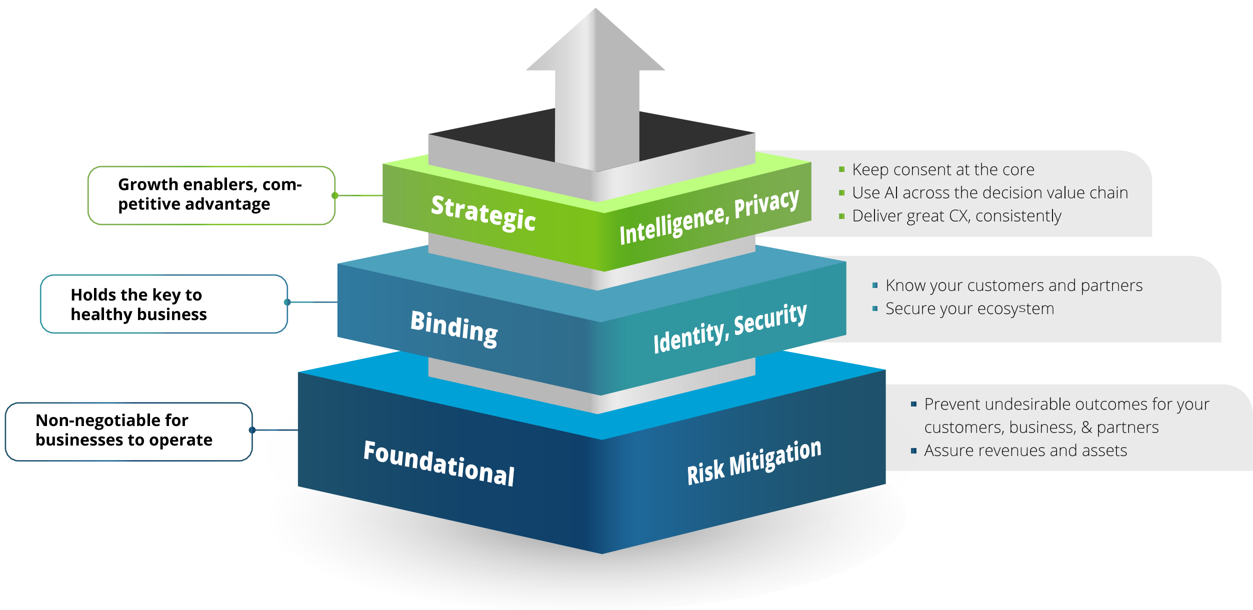
The year gone by represents a massive strategic shift both for Subex and its customers. Let me explain how.

The pandemic has increased digitization around the world. There is far greater amount of data moving between the physical and digital world. Today data is collected from sensors and our digital activity, both these sources are merging. There is an anticipated explosion of data thanks to 5G. All of this means that Business Leaders and C-Suite leaders are now able to make decisions based on data and insights. They no longer have to be taking decisions on gut feeling. However cutting through the murkiness of data becomes important for any business. Data science is capable of producing, including algorithms and models, a plethora of information, however, data needs business critical thinking from business analysts and others working on it to make or create an impact.

Subex: How has this data explosion helped Subex?

For us at Subex this represents a massive strategic shift. With our platform HyperSense we are able to help business leaders with data led thinking and at the same time help operations teams supercharge their decisions using data. We were a company that started as a niche products company and have now evolved to becoming a platform player. HyperSense is a platform that enables a complete journey of creating AI, operationalizing AI and consuming AI. It is a platform that navigates the data to insights to actions. All that a business has to do is bring business critical thinking to the platform and they have the autonomy (from being dependent on external IT and SI companies) that they have so far dreamt about. It is comprehensive in addressing every end of the value chain. It comes with a number of pre-built use cases such as product performance, fraud, business assurance, campaign intelligence and churn management. These use cases are adoption accelerators was well as references to inspire

DIGITAL TRUST



In Subex we have nurtured AI and Innovation Labs and we have built strong engineering capabilities on a modern tech stack.

businesses to further build their own applications and. A lot of effort has gone on to build this platform. The future for Subex and especially its products and engineering groups will be in adding more and more such use cases and transforming Subex in to an eco-system player.

HyperSense is cloud native, Kubernetes native, micro-services driven platform, which helps us to leverage a modern technology stack. It leverages ML, AI and DL to build services and use cases which our customers want.

Subex: How will Subex customers benefit from this era of no code?

We will have the opportunity of creating a community at large including customers and partners to build and monetize use cases. We can deploy HyperSense on a on-premise model and on the public cloud to balance the current data realities of customers. They are constrained by legacy systems, data sovereignty and regulatory reasons, therefore, we can mix and match public cloud and deploy on-premise too.

In Subex we have nurtured AI and Innovation Labs and we have built strong engineering capabilities on a modern tech stack. AI will be on all on our applications and products. As I have mentioned earlier, Subex's flagship products in fraud management and revenue assurance are immediately available on HyperSense. We are going to move our other products such as partner ecosystem management, capacity management and anomaly detection on to HyperSense. The products will evolve benefit from HyperSense data and its AI capabilities. We will also be building and launching a number of new solutions on HyperSense based on our customer's needs. That is why I am reiterating that a platform is the future and Subex is going to be a platform and eco-system player in this era of data explosion.

The World Shifted But So Did We

A conversation with

Kiran Zachariah, Head of IoT Security

Subex's cybersecurity business today focuses on securing enterprises embarking on digitalization. These enterprises fall in verticals such as Smart Cities, Telecommunications, Manufacturing, Transportation and Oil and Gas. Digitalization typically involves the adoption of IoT or the convergence of their legacy infrastructure or operational technologies (OT) with their newer technologies such as IT, cloud and IoT . In isolation these technologies are largely secure, however the convergence, driven by superior value and new business models, create attack surfaces ripe to be exploited by cyber criminals.

Subex Secure, our security product focused on converged infrastructure, is built to secure environments such as large plants to cars and ships. The ongoing R&D backing our product focuses on securing these deployments from a range of cross-spectrum threats. Our offerings help address the unique cybersecurity challenges that come with digital transformation and other automation efforts while refining and hardening the security posture of our customers to improve cyber resilience.

As of today, we run one of the largest cyber threat intelligence gathering infrastructure in the world focused on OT and IoT, and the quality and volume of intelligence gathered by us is not just current and relevant but also essential for protecting the deployments we are securing. This threat intelligence is what lies at the heart of our solution. Our involvement in complex and diverse projects has also helped us evolve faster to address emerging threats in addition to our R&D efforts. We offer threat intelligence as a service to businesses that wish to broad-base their threat detection efforts.

At the beginning of last year, the cybersecurity business in Subex that was largely focused on Securing IoT was gaining traction. We had a good number of orders and some very large substantial deals. Our confidence was brimming and 2021 was going to be our growth year. The year we witnessed the hockey stick on our revenue graph.

The onset of the pandemic, however, changed a lot in our world. IoT projects were viewed as sunrise projects and customers began putting the brakes on their new and innovative projects. The deals we had secured or the ones selected for and on the verge of securing began to be put on hold. The increased volatility and uncertainty in the market had an adverse impact on our business in the first two quarters as customers focused more on keeping the lights on and less

We are very confident that today we have built a resilient organization that will deliver results even as the pandemic rages on and more so as we see the global economy open.

on adopting new technologies. Most of them did not want to add an additional level of risk to their existing business models. Budgets were diverted to meet the new challenges arising from the COVID-19 crisis.

However, what did not change was the number of cyberattacks and the fact that security was becoming a priority for customers. While there was increased spend in the cybersecurity space by customers, their priorities had shifted to meet the new working models that were being implemented to keep their business functioning.

Subex was at an important crossroads and we had to quickly adapt to meet the new objectives that our customers were focused on. We had to reevaluate our product, market positioning, and go-to-market approach. We had to go back to the field and listen to our customers and partners.

Our key takeaways were that there was an increased rate of digitization across all verticals, but the manufacturing and critical infrastructure verticals that are typically the laggards when it comes to the new technology was being forced to adopt technologies that allowed remote controlling and monitoring of their plants at a much higher rate than others. Plants have mission-critical infrastructure that has been largely disconnected from the internet and was manually managed. With the advent of the pandemic manning them became a problem and they had to be connected to the internet to allow remote management. To exacerbate the problem, because these plants contain custom infrastructure, they had not been updated with the latest security patches due to possible compatibility issues, thus creating an attack surface that is ripe for exploitation by hackers.

Securing these manufacturing networks also called operational technology (OT) networks were the highest priority in the market.

Subex was well-positioned to pivot into the OT security space because when we began securing IoT devices very often those devices spoke to the OT infrastructure and our threat detection capabilities encompassed such equipment.

We quickly made product changes and added new features such as Vulnerability Management and Micro-segmentation into the product. Vulnerability management lets the customer know what devices are on the network, the vulnerabilities they have, and the security patches that need to be applied to secure them. With most of the customers unaware of this information, our competitors are focused on providing this functionality. Subex's products are superior because not only do we provide visibility, but our Micro-segmentation feature allows the customer to instrument partitioning of the network to reduce the attack surface and to prevent threats from spreading across the network in a non-intrusive manner.

These features coupled with our superior threat hunting using our proprietary threat intelligence offer a comprehensive and compelling proposition for any customer looking for a converged network security product.

We began actively engaging with customers in the third quarter of the year with our new offering. We competed on deals across different geographies and industries against established competition. By the fourth quarter, we had succeeded in winning all those opportunities, primarily because of our ability to comprehensively secure converged networks that have OT and IoT deployments. Subex today secures maritime, appliance manufacturers, automotive manufacturers, and the O&G sector.

The larger addressable market for our solution needs a different approach to sales and marketing and we have embarked on adopting a two-tier sales model in line with the cybersecurity industry. We have specific geographies of focus and are in the process of signing up distributors and resellers to take the solution to market. This structure will help us address a larger market and with the help of these partners open up new opportunities.

Apart from OT security, our signaling security product line focused on Telcos has gained substantial traction this year. We have made significant inroads with customers across geographies and use cases. The ability to stop an attack before it occurs is the key proposition that is driving traction in this product line. This line of products will also see substantial adoption in the 5G world.

This has been a trying year, but as a team, we have responded as well as we could hope for. We are very confident that today we have built a resilient organization that will deliver results even as the pandemic rages on and more so as we see the global economy open. Our focus continues to be on offering superior value for our stakeholders. As we move forward, we will continue to innovate and work tirelessly for our customers and stakeholders.

SUBEX CHARITABLE TRUST

The Subex Charitable Trust (SCT) extends the outlook of Subex as a corporate entity into community service. SCT was set up to provide for welfare activities for the under privileged and the needy in the society. SCT is managed by trustees elected from among the employees of the Company, out of the funds contributed by the employees.

Activities covered during the year

The SCT has been undeterred in its efforts towards bringing about a positive change in the lives of the under- privileged in the society, even in the midst of the global pandemic. The activities undertaken during the year are stated below:

Supports SAMPARC, an NGO working for underprivileged children, through its efforts which include education, rehabilitation and skill development. It contributed towards supporting 10 children under the 'Bal Asha Ghar' project ,which is part of the SAMPARC Management.

Has made a donation to the Madhavam Balika Sadhanam to held them set up a library that supports the academic interests of the female residents of the Madhava Seva Samithi, Kerala. The library would also serve the local community.

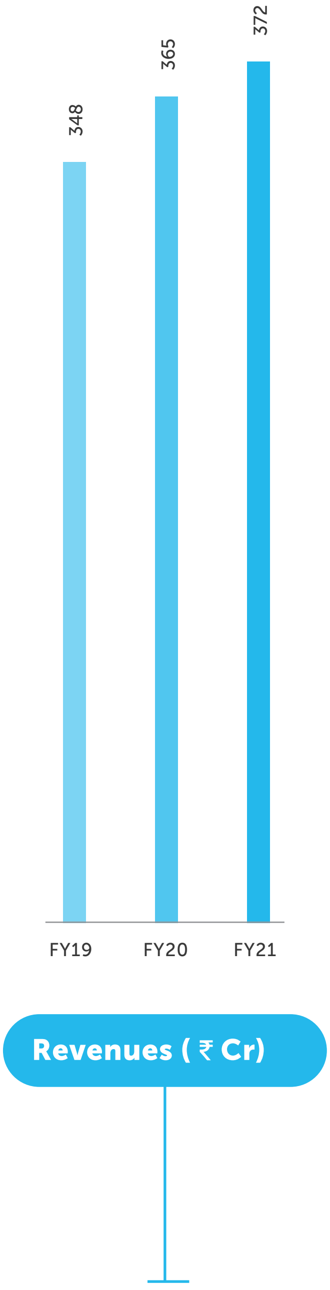
Has contributed to the Sangati Foundation, which works for persons with disabilities, improving accessibility, mobility, inclusivity and visibility. The SCT contributed towards employment generation under the project 'Sangati Shoppe'.

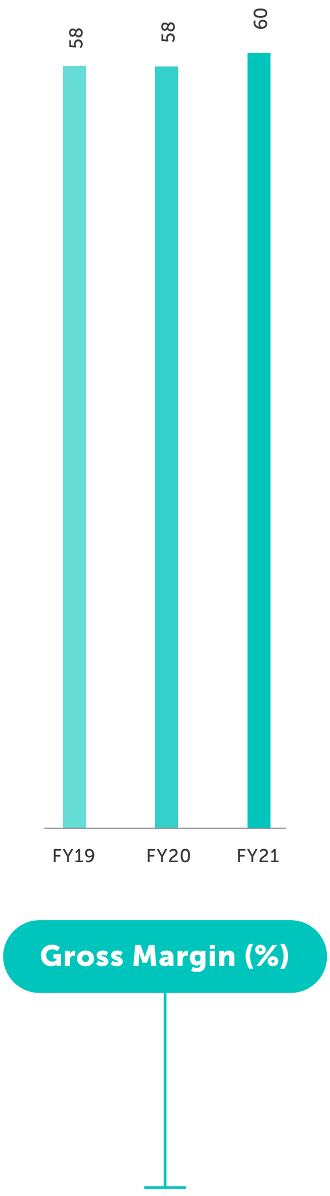
Has supported the Samarthanam Trust for the disabled by donating towards procurement of kits which contain daily essentials.

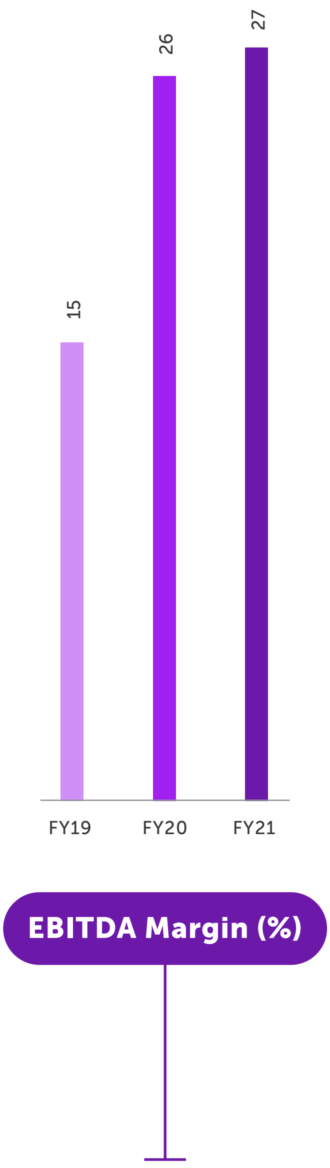
Supports the Panchajanya Foundation, Bengaluru, that aims to commence Montessori education in Government schools for the benefit of underprivileged children and has been contributed towards this endeavor.

Has sponsored the vocational training programs of Prerana Resource Centre. The Centre is an organization for visually impaired and disabled orphan teenage girls, aiming to make them self-reliant through training.

FINANCIAL HIGHLIGHTS







BOARD OF DIRECTORS

ANIL SINGHVI
Chairman, Non-Executive &
Non-Independent Director

NISHA DUTT
Independent Director

POORNIMA PRABHU
Independent Director

GEORGE ZACHARIAS
Independent Director

VINOD KUMAR PADMANABHAN
Managing Director &
Chief Executive Officer

SHIVA SHANKAR NAGA RODDAM
Whole-Time Director &
Chief Operating Officer

LEADERSHIP TEAM

VINOD KUMAR PADMANABHAN
Managing Director &
Chief Executive Officer

SHIVA SHANKAR NAGA RODDAM
Whole-Time Director &
Chief Operating Officer

SURESH CHINTADA
Chief Technology Officer

VENKATRAMAN G S
Chief Financial Officer &
Senior Vice President

MOHAN SITHARAM
Chief People Officer

ROHIT MAHESHWARI
Head of Strategy & Products

KIRAN ZACHARIAH
Head of IoT Security

SURAJ BALACHANDRAN
Head of Sales – EMEA & APAC

VENKATESH KRISHNAN
RVP - North America

BHAVNA SINGH
General Counsel

BOARD'S REPORT

Dear Members,

Your Directors take pleasure in presenting the 27th Annual Report of the Company on the business and operations together with the audited results for the year ended March 31, 2021.

1. FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2021 is summarized as below: (₹ in lakhs)

Particulars	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
Total Revenue	37,203	36,498	2,916	1,079
Share of Profit/ (Loss) before exceptional items, net	-	-	2,585	1,889
Other Income	474	563	9	202
Finance Cost	296	477	14	28
Profit/ (Loss) before exceptional items and tax expense	8,650	7,996	2,882	891
Exceptional Items	287	(31,766)	(231)	(21,361)
Profit/ (Loss) before tax	8,937	(23,770)	2,651	(20,470)
Tax expenses	3,765	3,145	29	118
Profit/ (Loss) after tax	5,172	(26,915)	2,622	(20,588)
Other comprehensive income/(Loss)	624	(29)	-	(21)
a) to be reclassified to profit or loss in subsequent periods	636	5	-	-
b) not to be reclassified to profit or loss in subsequent periods	(12)	(34)	-	(21)
Total comprehensive income/(Loss) for the year	5,796	(26,944)	2,622	(20,609)

2. OVERVIEW AND RESULTS OF OPERATIONS

The outbreak of the COVID-19 pandemic was an unprecedented shock to the Indian Economy, resulting in a sweeping slowdown in the overall economy. Phased lock-downs, disruptions in transportation, travel bans, quarantines, social distancing and other emergency measures, along with the growing uncertainty, has led to the hampering of regular business operations.

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, up to the date of approval of these financial statements, in determining the possible impact from the COVID-19 pandemic. The Company has taken immediate steps to navigate through the crisis and its pro-activeness and business continuity processes ensured that the Company provided uninterrupted services to the customers while maintaining the health and safety of our employees.

The impact of the global pandemic may be different from that estimated as at the date of approval of it's financial statements and the Company will continue to closely monitor any material changes to its assessment of economic impact of the COVID- 19 pandemic. We have received multiple customer accolades for the smooth and seamless business continuity. Our customers were delighted with the way the Company steered through the current pandemic situation to ensure business continuity, while keeping the health and safety of the employees, a priority.

During the financial year ended March 31, 2021, the total income on a standalone basis was ₹ 5,510 lakhs as against the total income for the previous year which was ₹ 3,170 lakhs. The Company has during the year under review earned a profit of ₹ 2,622 lakhs as against a loss of ₹ 20,588 lakhs in the previous year. On a consolidated basis, the total income stood at ₹ 37,677 lakhs as against ₹ 37,061 lakhs during the previous year. The profit earned for the financial year 2020-21 is ₹ 5,172 lakhs as against a loss of ₹ 26,915 lakhs in the previous year.

3. DIVIDEND

The details of dividend declared/recommended for the FY 2020-21 were as follows:

i) The Board at its meeting held on February 01, 2021, declared an interim dividend of ₹ 0.50 (10%) per share. The dividend was paid to the shareholders on February 25, 2021.

ii) The Board at its meeting held on May 17, 2021, recommended a final dividend of ₹ 0.25 (5%) per share, subject to the approval of the members at the 27th Annual General Meeting to be held on July 09, 2021.

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the dividend distribution policy of the Company was approved and adopted by the Board of Directors at their meeting held on May 17, 2021 and is available under the following link https://www.subex.com/investors/shareholder-services/.

4. RESERVES

The Company does not propose to transfer any amounts to the general reserve out of the amount available for appropriation. The total profit of ₹ 5,796 lakhs available with the Company on a consolidated basis is proposed to be retained in the profit and loss account.

5. SHARE CAPITAL

As at March 31, 2021, the authorized share capital of the Company was ₹ 5,90,00,00,000 (Rupees Five hundred and ninety crores only) divided into 1,17,60,80,000 (One hundred and seventeen crores, sixty lakhs and eighty thousand only) equity shares of ₹ 5 (Rupees Five only) each and 2,00,000 (Two lakhs only) preference shares of ₹ 98 (Rupees Ninety-eight only) each.

As at March 31, 2021, the issued, subscribed and paid-up share capital of the Company was ₹ 2,81,00,14,675 (Rupees Two hundred and eighty one crores, fourteen thousand, six hundred and seventy five only) divided into 56,20,02,935 (Fifty six crores, twenty lakhs, two thousand nine hundred and thirty five only) equity shares of ₹ 5 (Rupees Five only) each.

6. SCHEME OF REDUCTION OF SHARE CAPITAL

The Board of Directors at their meeting held on February 07, 2020, approved the Scheme for Reduction of Capital under Section 66 & Section 52 of the Companies Act, 2013. The Scheme was subject to approval of the shareholders, the Hon'ble National Company Law Tribunal ("NCLT"), Bengaluru Bench, and all other regulatory approvals.

Considering the future prospects of growth and value addition to the Company and its shareholders, it was proposed to re-align the relationship between its capital and assets in accordance with Section 52 & Section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable), and subject to the consent of the shareholders, the NCLT and other statutory authorities as applicable, by writing-off the accumulated losses of ₹ 3,84,01,09,702 reflecting in the unaudited financial statements of the Company as on December 31, 2019, against the paid-up share capital and securities premium account balance of the Company, to have a rational structure which was commensurate with its remaining business and assets.

Hence the proposed Scheme which was approved by the Board of Directors of the Company provided for Reduction of equity share capital and securities premium account of the Company in accordance with Section 66 & 52 of the Companies Act, 2013.

The capital structure of the Company pre and post-scheme is reflected in the table below:

Pre-reduction			Post-reduction		
Particulars	No. of shares	Amount (₹)	Particulars	No. of shares	Amount (₹)
Authorised Share Capital					
Equity shares of face value ₹ 10 each	58,80,40,000	5,88,04,00,000	Equity shares of face value ₹ 5 each	1,17,60,80,000	5,88,04,00,000
Preference shares of face value ₹98 each	2,00,000	1,96,00,000	Preference shares of face value ₹ 98 each	2,00,000	1,96,00,000
Issued, subscribed and paid-up Share Capital					
Equity shares of face value ₹10 each	56,20,02,935	5,62,00,29,350	Equity shares of face value ₹ 5 each	56,20,02,935	2,81,00,14,675

The below table reflects the pre-capital reduction and post-capital reduction balances of Securities premium account and accumulated loss of the Company as at December 31, 2019:

Particulars	Pre-reduction (₹)	Proposed reduction (₹)	Post-reduction (₹)
Securities Premium Account	2,67,04,28,364	1,03,00,95,027	1,64,03,33,337
Profit and Loss (Dr) i.e. Accumulated Losses	3,84,01,09,702	3,84,01,09,702	NIL

In terms of the MCA General Circular No 14/2020 dated April 08, 2020 and 17/2020 dated April 13, 2020, ("MCA Circulars"), in view of the extraordinary circumstances due to the COVID-19 pandemic requiring social distancing, Companies were advised to take all decisions requiring members' approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of Postal Ballot/ e-voting in accordance with the provisions of the Act and Rules made thereunder, without holding a general meeting that required the physical presence of members at a common venue.

Pursuant to Section 110 of the Companies Act, 2013 and the Rules provided thereunder, the Company proposed to obtain the consent of the shareholders for the Scheme for reduction of Capital, by passing of the resolutions by Postal Ballot.

In accordance with the requirements of the Companies Act and the MCA Circulars, the Company sent the Postal Ballot Notice dated May 22, 2020 by email to all its members who had registered their email addresses with the Company or depository/ depository participants and the communication of assent/ dissent of the members took place through remote e-voting system only.

The e-voting period for the Postal Ballot commenced on Wednesday, May 27, 2020 from 9.00 a.m. (IST) and ended on Thursday, June 25, 2020 at 5.00 p.m. (IST). The Company appointed Mr. Pramod S.M. (Membership No. 7834 and Certificate of Practice No. 13784), Partner, BMP & Co., LLP, Practicing Company Secretaries as the Scrutinizer and Mr. Biswajit Ghosh, (FCS Membership No. 8750 and Certificate of Practice No. 8239), Partner, BMP & Co., LLP, Practicing Company Secretaries, as an alternate scrutinizer to Mr. Pramod S.M., for conducting the meeting only through the electronic voting process, in a fair and transparent manner. Please refer the following link https://www.subex.com/investors/capital-reduction/ for the Postal Ballot notice and related documents.

The Resolution for reduction of the share capital of the Company was approved with requisite majority and the results were displayed on the website of the Company under the following link https://www.subex.com/investors/capital-reduction/ and necessary disclosures were made to the Stock Exchanges. Subsequently, the Company had made an application before the Hon'ble National Company Law Tribunal, 'NCLT' Bengaluru Bench, Bengaluru, seeking their approval to the Scheme and the NCLT, vide its Order dated September 23, 2020, approved the Scheme of Reduction of Equity share capital of the Company from ₹ 562 Crores to ₹ 281 Crores, by reducing the face value of the equity shares from ₹ 10 to ₹ 5 per share. The certified copy of the Scheme was filed with the Registrar of Companies, Bengaluru, Karnataka, on September 29, 2020 (effective date of the Scheme). Post the receipt of the approval from the NCLT, the Company filed listing applications before the BSE Ltd and the National Stock Exchange of India Ltd and the trading approval for equity shares bearing face value of ₹ 5/- each was received, effective November 05, 2020.

7. SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards as amended from time to time.

8. BUSINESS

Subex is a pioneer in the space of Digital Trust, providing solutions for 75% of the world's top 50 telcos. Founded around the time when video telephony was launched, Subex has been witnessing the evolution of mobile technology ever since. Today, we are consultants to global telecom carriers for operational excellence and business transformation by driving new revenue models, enhancing the customer experience and optimizing the enterprise. Subex leverages its award-winning analytics solutions in areas such as Revenue Assurance, Fraud Management, Network Asset Management Capacity Management, Partner Management, and Analytics (Revenue Management Services/ RMS business) and complements them through its newer solutions such as IoT Security, Digital Identity Management and Anomaly Detection (Digital Business). Subex also offers scalable Managed Services and Business Consulting services.

Through HyperSense, an end-to-end augmented analytics platform, Subex empowers communications service providers and enterprise customers to make faster, better decisions by leveraging Artificial Intelligence (AI) analytics across the data value chain. The solution allows users without a knowledge of coding to easily aggregate data from disparate sources, turn data into insights by building, interpreting and tuning AI models, and effortlessly share their findings across the organisation, all on a no-code platform.

Being truly a global company, it has more than 300 installations across 90+ countries. There has been no change in the nature of business in FY21.

Key Announcements in FY20-21

Telefónica partners with Subex for next-gen fraud prevention

Subex announced a partnership with Telefónica, one of the largest mobile network providers in the world, to provide the latest version of Subex Fraud Management Solution. As part of the engagement, the operator will be deploying Subex's Fraud Management, to all opcos in Telefónica's Hispam unit: Argentina, Chile, Venezuela, Ecuador, Mexico, Peru, Uruguay, and Colombia.

Subex selected by stc for its integrated Revenue Assurance and Fraud Management solution

Subex announced that it has been selected by Saudi Telecom Company ("stc") to deploy an integrated Revenue Assurance and Fraud Management (iRAFM) solution. This deal marks another chapter in the long-standing partnership between Subex and stc, through the earlier deployments of Subex's Revenue Assurance and an award-winning Fraud Management engagement, which began in 2003. By virtue of this decision, stc will be aiming to consolidate their technology stack with the latest solution from Subex, including replacement of other legacy systems.

Subex and SkyLab team up to secure the shipping industry

Subex and SkyLab, a leader in 5G Multi-Access Edge Computing (MEC) and Industrial IoT have announced a partnership to offer IoT and OT cybersecurity solutions and services to the maritime sector. These solutions offered jointly by Subex and SkyLab have been successfully deployed and are already securing ships and maritime infrastructure across oceans. The industry can look up to this partnership to protect their critical assets from cyberattacks and cybercrime.

Subex joins O-RAN Alliance to help accelerate the adoption of open radio access networks

Subex announced that it has become a member of the O-RAN Alliance to support the development and standardisation of Open RAN (radio access networks). With its expertise in advanced network analytics based on machine learning, Subex joins the alliance to help drive innovation in the radio access network domain – ultimately facilitating Open RAN that leverages embedded artificial intelligence (AI) to maximise network performance.

Tech Mahindra and Subex Partner to Drive Scale Adoption of Blockchain-based Solutions for Telecom Operators Globally

Tech Mahindra, a leading provider of digital transformation, consulting, business re-engineering services and solutions, and Subex, an industry leader in providing services based on

Digital Trust, have announced strategic partnership to roll-out blockchain based solutions for telecom operators globally. These solutions will enable fraud mitigation and drive operational efficiencies for Communication Service Providers (CSP) by reducing compliance complexities and faster time-to-market.

Subex launched Partner Ecosystem Management platform

Subex announced the launch of its Partner Ecosystem Management platform that will allow CSPs to accelerate their digital services portfolio expansion. The platform will allow CSPs to create a value driven partner ecosystem and significantly improve time to market for new services by identifying and quickly onboarding diverse partners. It will also enable digital trust among CSPs and their partners by creating a transparent partner ecosystem.

9. SUBSIDIARIES (WHOLLY OWNED AND OTHER SUBSIDIARIES)

As on March 31, 2021, the Company has 10 subsidiaries.

SUBEX ASSURANCE LLP AND ITS SUBSIDIARIES

For the year ended March 31, 2021, Subex Assurance LLP earned a net income of ₹ 33,268 lakhs as against net income of ₹ 33,006 lakhs in the previous year and a net profit of ₹ 4,628 lakhs, as against a net loss of ₹ 12,930 lakhs in the previous year.

As at March 31, 2021, Subex Limited held 99.99 % of the capital in Subex Assurance LLP and the balance is held by Subex Digital LLP.

- Subex (UK) Limited is a wholly owned subsidiary of Subex Assurance LLP. For the year ended March 31, 2021, the Standalone net income of Subex (UK) Limited was ₹ 20,974 lakhs as against ₹ 21,309 lakhs in the previous year, and a net profit of ₹ 2,487 lakhs as against ₹ 1,113 lakhs in the previous year.
- Subex (Asia Pacific) Pte. Limited is a wholly owned subsidiary of Subex (UK) Limited. For the year ended March 31, 2021, the Standalone net income of Subex (Asia Pacific) Pte. Limited was₹ 3,898 lakhs as against ₹ 3,064 lakhs in the previous year, and a net loss of ₹ 347 lakhs as against a net profit of ₹ 19 lakhs in the previous year.
- Subex Inc. is a wholly owned subsidiary of Subex (UK) Limited. For the year ended March 31, 2021, the Standalone net income of Subex Inc. was ₹ 9,547 lakhs as against ₹ 10,290 lakhs in the previous year, and the net profit of ₹ 534 lakhs as against a net gain of ₹ 1,074 lakhs in the previous year.
- As on March 31, 2021, Subex (UK) Limited holds 8 common shares (7.41%) in the capital of Subex Americas Inc.
- Subex Middle East (FZE) is a wholly owned subsidiary of Subex Assurance LLP. For the year ended March 31, 2021, the standalone net income of Subex Middle East (FZE) was ₹ 2,374 lakhs as against ₹ 2,433 lakhs in the previous year and net loss of ₹ 67 lakhs as against a net profit of ₹ 15 lakhs in the previous year.
- Subex Bangladesh Private Limited, is a wholly owned subsidiary of Subex Assurance LLP. For the year ended March 31, 2021, the standalone net income of Subex Bangladesh Private Limited was ₹ 266 lakhs as against ₹ 382 lakhs and a net loss of ₹ 57 lakhs as against a net profit of ₹ 11 lakhs.

SUBEX DIGITAL LLP

For the year ended March 31, 2021, Subex Digital LLP earned a net income of ₹ 1,429 lakhs as against ₹ 882 lakhs in the previous year, and a net loss of ₹ 2,043 lakhs as against a net loss of ₹ 1,989 lakhs in the previous year.

As at March 31, 2021, Subex Limited held more than 99.99% of the capital in Subex Digital LLP and the balance is held by Subex Assurance LLP.

SUBEX TECHNOLOGIES LIMITED

Subex Technologies Limited is a wholly owned subsidiary of Subex Limited. For the year ended March 31, 2021, Subex Technologies Limited incurred a net loss of ₹ 4 lakhs similar to net loss of ₹ 4 lakhs in the previous year.

SUBEX AMERICAS INC.

For the year ended March 31, 2021, the standalone net income of Subex Americas Inc. was ₹ 1,024 lakhs as against ₹ 2,459 lakhs in the previous year, and a net loss was ₹ 10 lakhs as against a net profit of ₹ 664 lakhs in the previous year.

Subex Azure Holding Inc., is a wholly owned subsidiary of Subex Americas Inc. There were no transactions during the year under review.

As on March 31, 2021, Subex Limited holds 100 common shares (92.59%) in the capital of Subex Americas Inc.

The above-mentioned numbers are as per the audited financial statements of respective subsidiaries.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company and all its subsidiary companies, which forms part of the Annual Report. A statement containing salient features of the financial statements of the subsidiaries of the Company in Form AOC 1 forms part of the annexure to the Standalone Financial Statements.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company under the following link https://www.subex.com/investors/shareholder-services/.

Further, as per the fourth proviso to the said Section, audited Annual Accounts of each of the subsidiary companies have also been placed on the website of the Company under the following link https://www.subex.com/investors/shareholder-services/. Owing to the restrictions placed due to COVID-19, members are encouraged to inspect the same electronically.

10. DEPOSITS

Your Company has not accepted any deposits from the public during the year and there are no deposits which are remaining unclaimed or unpaid as at the end of the year and, as such, no amount of principal or interest was outstanding as on the date of the Balance sheet.

11. EMPLOYEE STOCK OPTIONS SCHEMES

The Employee Stock Option schemes of the Company endeavor to provide incentives and retain employees who contribute to the growth of the Company. During the year under review, there has been no variation in the terms of the existing ESOP schemes. Additional details have also been disclosed under Note 33 to the standalone financial statements which forms part of the Annual Report.

Details of the Company's Employee Stock Option Plans and a summary disclosure in compliance with Companies (Share Capital and Debentures) Rules, 2014 forms part of this report as "**Annexure A**". The details as required under the Securities & Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, are available on the Company's website under the following link https://www.subex.com/investors/announcement-filing/ (click on Other Intimations).

EMPLOYEE STOCK OPTION PLAN-2018

The Company, pursuant to resolutions passed by the Board and the Shareholders dated June 26, 2018 and July 31, 2018, respectively, had adopted the Subex Employees Stock Option Scheme-2018 ("ESOP – 2018" or "Plan"). This scheme was formulated in accordance with the Securities & Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The Board authorized the Nomination & Remuneration Committee, or such other person(s) as may be authorized by the Nomination & Remuneration Committee for the superintendence and administration of the Plan. The ESOP Plan has been implemented through the Subex Employee Welfare & ESOP Benefit Trust "ESOP Trust", which is authorized to acquire shares of the Company through secondary market for providing such share based payments to its employees. Total number of Options granted/to be granted under the Scheme shall not exceed 5% (Five percent) of the paid- up equity capital as on March 31, 2018. The Nomination & Remuneration Committee of the Company in their meeting held on February 01, 2021 granted 12,40,500 options approved under ESOP – 2018 scheme to the eligible employees.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees or Investments covered under Section 186 of the Companies Act 2013, are given in note numbers 30 & 31 to the Standalone Financial Statements.

13. MATERIAL CHANGES AND COMMITMENTS, EFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF FINANCIAL YEAR AND DATE OF THE REPORT

There have been no material changes for the period between end of the financial year 2020-21 and the date of this report, affecting the financial position of the Company.

14. CORPORATE GOVERNANCE

Your Company strongly believes that the spirit of Corporate Governance goes beyond the statutory form. Sound Corporate Governance is a key driver of continuous corporate growth and long-term value creation for the stakeholders and protection of their interests. It endeavors to meet the growing aspirations of all stakeholders including shareholders, employees, customers, vendors and is committed to maintaining the highest level of transparency, accountability, and equity in its operations. It always strives to follow the path of good governance through a broad framework of various processes.

Your Company has complied with the conditions of Corporate Governance as stipulated under the SEBI (LODR) Regulations, 2015, as amended from time to time. The Auditor's certificate on compliance with respect to the same is annexed herewith as "**Annexure B**". In addition, it has documented its internal policies in line with the Corporate Governance guidelines.

15. MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion & Analysis as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As per Section 152 of the Companies Act, 2013, at least two-thirds of the Directors shall be subject to retirement by rotation. One-third of such Directors must retire from office at each Annual General Meeting "AGM" of the shareholders and a retiring Director is eligible for re-election. Accordingly, Mr. Shiva Shankar Naga Roddam, Whole-Time Director & COO, retires by rotation and being eligible, has offered to be re-appointed at the 27th AGM.

APPOINTMENT/ RE-APPOINTMENT

Pursuant to the recommendations of the Nomination & Remuneration Committee, the Board,

a) At its meeting held on May 11, 2020, approved the re-appointment of Mr. Anil Singhvi, in the capacity of a Non-Executive & Non-Independent Director with effect from June 18, 2020. His re-appointment was approved by the members at the 26th AGM of the Company held on September 25, 2020. Mr. Singhvi continues to be the Chairman of the Company, in the capacity of a Non-Executive & Non-Independent Director.

b) At its meeting held on February 07, 2020, appointed Mr. Shiva Shankar Naga Roddam as the Whole-Time Director & Chief Operating Officer for a term of three years, subject to the approval of the members at the 26th AGM and the members approved the said appointment at the 26th AGM of the Company . Further, the Board at its meeting held on February 01, 2021, changed the employment agreement of Mr. Shiva Shankar Naga Roddam from Subex Assurance LLP to Subex Limited and subject to the approval of the members at the 27th AGM revised the remuneration of Mr. Shiva Shankar Naga Roddam with effect from April 01, 2021.

c) At its meeting held on March 01, 2021, subject to the approval of the members at the 27th AGM approved the re-appointment of Mr. Vinod Kumar Padmanabhan as the Managing Director & CEO of the Company for a period of 3 years with effect from April 01, 2021.

The details regarding the familiarization program for Independent Directors is available on the website of the Company under the link https://www.subex.com/investors/shareholder-services/.

17. BOARD MEETINGS

During the year, seven Board Meetings were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR), Regulations, 2015. The dates on which meetings were held are as follows:

Board Meeting Number	Date of Meeting
1/2020-21	May 11, 2020
2/2020-21	July 15, 2020
3/2020-21	August 10, 2020
4/2020-21	September 24, 2020
5/2020-21	November 09, 2020
6/2020-21	February 01, 2021
7/2020-21	March 01, 2021

The details of the attendance of the Directors are provided in the Report on Corporate Governance.

18. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of the SEBI (LODR) Regulations, 2015, the Board at its meeting held on February 01, 2021 carried out an annual performance evaluation of its own performance, the Chairman and the Directors individually, as well as the evaluation of the working of its committees. The manner of evaluation has been explained in the Report on Corporate Governance.

19. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION POLICY OF THE COMPANY

The Policy on Appointment of Directors and the Remuneration Policy of the Company has been uploaded on the website of the Company https://www.subex.com/investors/shareholder-services/. The Details/Disclosures of Ratio of Remuneration to each Director to the median employee's remuneration is enclosed herewith as "**Annexure F**".

20. AUDIT COMMITTEE

As on March 31, 2021, the Audit Committee consisted of 4 (four) Directors as its members.

Composition	Category
Ms. Nisha Dutt (Chairperson)	Independent Director
Mr. Anil Singhvi	Non-Executive & Non-Independent Director
Ms. Poornima Prabhu	Independent Director
Mr. George Zacharias	Independent Director

* Mr. Vinod Kumar Padmanabhan stepped down as a member of the Committee w.e.f. June 18, 2020.

The role, terms of reference, authority and power of the Audit Committee are in conformity with the provisions of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015 (including amendments thereto). Further details of the Audit Committee, including its reconstitution, post the re-appointment of Mr. Anil Singhvi as a Non-Executive & Non-Independent Director, have been provided in the report on Corporate Governance.

21. AUDITORS

There are no instances of frauds reported by auditors pursuant to sub-section (12) of Section 143 which are reportable to the Central Government.

STATUTORY AUDITORS

M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Bengaluru (FRN 101049W/E300004), were appointed as the Statutory Auditors of the Company for a term of 5 years at the 21st AGM of the Company held on June 19, 2015. Based on the recommendations of the Audit Committee, the Board at its meeting held on May 11, 2020, approved the re-appointment of M/s. S. R. Batliboi & Associates LLP for a term of 5 years, from the conclusion of the 26th AGM upto the conclusion of the 31st AGM and the said appointment was approved by the members at the 26th AGM of the Company.

There are no qualifications, reservations, adverse remarks or disclaimers made by Statutory Auditors of the Company in the Audit Report.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed M/s. V Sreedharan & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report and the Annual Secretarial Compliance Report are annexed herewith as "**Annexure C**".

The Secretarial Audit Report for the year ended March 31, 2021 does not contain any qualifications, reservations, or adverse remarks.

22. PARTICULARS OF EMPLOYEES

The particulars of employees required under Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as "**Annexure D**" to this report.

23. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

24. CONSERVATION OF ENERGY

Your Company is committed to the continual development of its products in a sustained environment, helping its customers to operate their businesses more efficiently and enabling them to reduce their use of sparse resources and minimize waste.

As a software product Company, the impact that the Company has on the environment from its own operations is relatively low when compared to companies in other industries. However, the Company recognizes that it still has a role to play in reducing the impact that global business has on the environment. Subex is committed to following the best practices to reduce utilization of power, natural resources like water and limited E-Waste disposal, executed through government recognized agencies. Though Subex does not fall under the category of manufacturing products and services impacting the environment, we implement few of the best practices with minimal investments through a five-year plan - agreement with an industry stalwart having expertise in energy conservation. This investment thereby results in monetary benefits / savings month on month, helping us recover the invested amount in few months, ensuring continued savings through this initiative.

As a result of the change in the address of the Registered office of the Company (addressed in point 39 of this report), the Company has reduced its energy consumption and has added to its efforts of being eco-friendly. Suppliers delivering the products to Subex like lighting, diesel generators etc, abide by the guidelines laid out by the government.

Subex aims to reduce its impact on the environment by:

i. Monitoring the level of water and energy used along with the waste produced.

ii. Targeting a reduction in the use of plastics, electricity and water, along with an increase in amount of waste that is recycled/ reused etc.

iii. Increasing the awareness on environment safety and engagement of employees in such measures.

iv. Adopting sustainable practices designed to ensure the health and safety of Subex's employees, stakeholders, and the environment.

v. Operating its business in compliance of applicable environmental laws and regulations.

25. TECHNOLOGY ABSORPTION, ADOPTION, INNOVATION AND PRODUCT DEVELOPMENT

Subex is one of the first Product companies from India and is the first Product company from India in the Telecom domain.

The portfolio of products has contributed to the success in this domain and has also built a strong foundation to add value to our Customers, independent of the economic and market conditions. The last few years have seen a rapid change in technologies being leveraged and this has been further influenced by the Digital Transformation of services and portfolio within our Customer base. Subex has a dedicated team to explore these new technologies which then contribute to innovations on the existing Portfolio as well as creation of new Product Intellectual Property. The Products developed and released by this team influence our ability to compete and win, while also delivering value to our Customers. Please refer the Management Discussion & Analysis for further details on our products.

26. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year 2020-21, total foreign exchange inflow and outflow of the Company is as follows:

i) Foreign Exchange inflow ₹ 1,482 lakhs (Previous Year ₹ 1,082 lakhs)

ii) Foreign Exchange outflow ₹ 576 lakhs (Previous Year ₹ 366 lakhs)

27. CORPORATE SOCIAL RESPONSIBILITY

To enable contribution to the society and other stakeholders, the Company has constituted the Corporate Social Responsibility Committee (CSR Committee). As on March 31, 2021 the CSR Committee comprises of the following Directors as it members:

Composition	Category
Mr. Anil Singhvi (Chairman)	Non-Executive & Non-Independent Director
Ms. Nisha Dutt	Independent Director
Mr. Vinod Kumar Padmanabhan	Managing Director & CEO
Mr. Shiva Shankar Naga Roddam	Whole-Time Director & COO

Pursuant to the CSR Policy adopted by the Board, the Company proposes to undertake such activities as may be useful and contributive in nature.

Particulars required to be disclosed pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, (including amendments, if any) are given in "**Annexure G**" to this report.

The CSR Committee charter and the CSR Policy of the Company are available on the website at the below link https://www.subex.com/investors/shareholder-services/.

SUBEX CHARITABLE TRUST

The Subex Charitable Trust ("SCT") extends the outlook of Subex as a corporate entity into community service. SCT was set up to provide for welfare activities for the under privileged and the needy in the society. SCT is managed by trustees elected from among the employees of the Company. Please refer page 31 of the Annual Report for details of the activities conducted during the year.

28. RISK MANAGEMENT POLICY & IMPLEMENTATION

The Risk Management Committee as required under Regulation 21 of the SEBI (LODR) Regulations, 2015 has been constituted voluntarily by the Company. According to Regulation 21 (5) of the said Regulations, as on March 31, 2021, the provisions of Risk Management Committee shall be applicable to top 500 listed entities, determined based on market capitalization.

The Company has developed and adopted a Risk Management Policy. This policy identifies all perceived risks which might impact the operations and on a more serious level also threaten the existence of the Company. Risks are assessed department wise such as financial risks, information technology related risks, legal risks, accounting fraud, etc. The Management also ensures that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

29. HUMAN RESOURCE MANAGEMENT

Detailed report on Human Resource management is given in the Management Discussion and Analysis, forming part of the Annual Report.

30. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

In accordance with the provision of Section 134(5)(e) of the Companies Act, 2013 and as per the provisions of the SEBI (LODR), Regulations, 2015, the Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

Such Internal Financial Controls were found to be adequate for a Company of this size. The controls are largely operating effectively since there has not been identification of any material weakness in the Company. The Directors have in the Directors Responsibility Statement under paragraph (e) of the Section confirmed the same to this effect. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparations, reliable financial information. The Company has adopted accounting policies which are in line with Indian Accounting Standards ("Ind AS").

Pursuant to the provisions of the Section 134(5)(f) of the Act, the Company during the year devised proper systems to ensure compliance with the provisions of all applicable laws. In effect, such compliance system was largely found to be adequate and operating effectively. The Directors have in the Directors Responsibility Statement under paragraph (f) of the Section also confirmed the same to this effect.

The Internal Auditors monitor and evaluate the effectiveness and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of Internal Auditors, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board

Subex is certified for ISO 9001:2015 (Quality Management System) and ISO 27001:2013 (Information Security Management System). Internal audits are conducted periodically for projects and support functions to adhere to these international standards. These audits are conducted across Bengaluru, UK and US locations to ensure processes are followed to provide a better customer experience. Summary of the audits are shared across organization to help understand strengths and weaknesses in the system. People involvement in organization process initiatives is one that approaches towards achieving better compliance, standardizing activities to consistently achieve better customer satisfaction.

This year Subex focused on additional security awareness programs and improve the existing business continuity controls owing to the pandemic. Additionally, we continued to identify and involve relevant stakeholders to review and align the processes to Subex's Business objectives.

31. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has implemented a vigil mechanism policy to deal with instances of fraud, leakage of unpublished price sensitive information and mismanagement, if any. The policy also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in all cases. The details of the policy are posted on the website of the Company under the link https://www.subex.com/investors/shareholder-services/. There were no complaints received during the year 2020-21.

32. POLICY ON SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. An Internal Complaints Committee (ICC) chaired by a senior female employee of the Company, has been set up to redress complaints received under this Act.

During the financial year under review under review, no complaints have been received by the Company.

33. DECLARATION FROM INDEPENDENT DIRECTORS

All Independent Directors have given declarations under Section 149 (7) to the effect that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013.

34. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Further, none of the Directors had any pecuniary relationships of transactions vis-à-vis the Company.

All related party transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit committee is obtained for transactions which are of a foreseen and repetitive nature. A statement giving details of all related party transactions entered pursuant to the omnibus approval so granted, is placed before the Audit Committee and the Board of Directors for their review on a quarterly basis.

The Company has entered into sub-contracting arrangements with its subsidiaries, based on transfer pricing methodology, for development and enhancement of its products as well as marketing of its products by the subsidiaries across locations. The Company has also entered into marketing arrangements with its subsidiaries wherein there is a cross-charge done by the subsidiaries towards its efforts for the same. The company has also entered into an arrangement with its Indian group entities wherein common costs pertaining to sales and business support functions are cross charged.

The Policy on Related party transactions as approved by the Board is uploaded on the Company's website under the link https://www.subex.com/investors/shareholder-services/.

Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) in Form AOC 2 is enclosed to this report as "**Annexure E**".

35. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

a) Pursuant to the approval of the Board of Directors at their meeting held on February 07, 2020 and the approval of the shareholders through Postal Ballot dated June 25, 2020, the NCLT, Bengaluru Bench, vide its Order dated September 23, 2020, approved the Scheme of Reduction of Capital of the Company, by reducing the Face Value per equity share from ₹ 10 to ₹ 5.

b) Registrar of Companies 'ROC'-, vide its Order dated August 10, 2020, imposed a penalty of ₹ 4,00,000 under Section 203 (5) of the Companies Act, 2013, on the Company (₹ 2,00,000) and the officers in default (CEO & MD - ₹ 1,00,000, erstwhile CFO - ₹ 1,00,000), for delay in appointment of Company Secretary for the period from June 15, 2017- July 09, 2018 (resulting in a delay in appointment by 216 days). The Company filed its adjudication application before the ROC, Bengaluru, Karnataka, on October 09, 2019, pleading that the delay was purely by inadvertence and without any malafide intention. The penalty was paid by the Company and the officers and the details of the same were filed with the ROC in Form INC-28 on September 25, 2020 vide SRN R60492253. Apart from the aforesaid, there were no significant and material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

36. ANNUAL RETURN

A copy of the Annual Return of the Company for the Financial year 2020-21, as required under Section 92 (3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 shall be placed on the Company's websitehttps://www.subex.com/investors/announcement-filing/ (click on Disclosures).

37. LISTING WITH STOCK EXCHANGES

The Company has paid the Annual Listing Fees for the year 2020-21 to the Exchanges' where the Company's shares are listed i.e., the National Stock Exchange of India Ltd ('NSE') and the BSE Ltd ('BSE').

38. MAINTENANCE OF COST RECORDS

Maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is not applicable to the Company as the Company operates out of a Special Economic Zone (SEZ).

39. SIGNIFICANT DEVELOPMENTS DURING THE YEAR

a) **Change in address of Registered Office within local limits of Bengaluru City**

The Board of Directors had on December 30, 2020 approved the change in address of the Registered Office of the Company within local limits of Bengaluru City i.e. from RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bengaluru-560103 to Pritech Park-SEZ, Block-09, 4th floor, B Wing, Survey No. 51 to 64/4, Outer Ring Road, Bellandur Village, Varthur Hobli, Bengaluru-560 103. This change was with effect from January 04, 2021.

b) **Receipt of request letters from persons belonging to the Promoter/Promoter Group for reclassification of the category of their shareholding from 'Promoter/Promoter Group' to 'Public'**

The Board at its meeting held on February 01, 2021 took note of the request letters cum undertakings received from the below persons and approved the same, subject to the approval of the members of the Company and the regulatory authorities

Sl. No	Particulars	Request for reclassification
1	Subash Menon (Promoter)	Reclassification to the category of 'Public'
2	Sudeesh Yezhuvath (Promoter Group)	
3	Kivar Holdings Private Limited (Promoter Group)	

Pursuant to the amendment in Regulation 31A of the SEBI (LODR) Regulations, 2015, owing to the SEBI (LODR) (Second Amendment) Regulations, 2021 dated May 05, 2021, the Company has to receive revised request letters from the members of the 'Promoter/Promoter Group', for considering the request for re-classification.

40. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provision of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors affirms:

a) In the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) That the accounting policies have been selected and applied consistently and it has made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;

c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) That the accounts for the year ended March 31, 2021 have been prepared on a going concern basis;

e) That internal financial controls have been laid down to be followed by the Company and such internal financial controls were adequate and were operating effectively;

f) That systems to ensure compliance with the provisions of all applicable laws were in place and such systems were adequate and operating effectively;

41. APPRECIATION/ACKNOWLEDGEMENTS

Your Directors thank the customers, vendors, investors, shareholders' and bankers for their continued support during the year. We place on record our appreciation for the support / co-operation extended by the various departments of Government of India, Government of Karnataka, Central and State Government authorities particularly SEZ authorities, Ministry of Corporate Affairs, Central Board of Direct Taxes, Central Board of Indirect Taxes and Customs, Banks, the Ministry of Commerce and Industry, Ministry of Labour and Employment, Reserve Bank of India, the Securities and Exchange Board of India, the BSE Limited, the National Stock Exchange of India Ltd, the National Securities Depository Limited, the Central Depository Services (India) Limited, the National Company Law Tribunal, Bengaluru Bench and other State Government authorities and look forward to their support in all future endeavors.

Your Directors also wish to place on record their deep appreciation to Subexians at all levels for their hard work, solidarity, co-operation, and support, as they are instrumental in your Company scaling new heights, year after year.

For Subex Limited

Anil Singhvi
Chairman, Non-Executive & Non-Independent Director
DIN:00239589
Place: Mumbai
Date: May 17, 2021

For Subex Limited

Vinod Kumar Padmanabhan
Managing Director & CEO
DIN:06563872
Place: Bengaluru
Date: May 17, 2021

ANNEXURE A

Information as at March 31, 2021 pertaining to the Employee Stock Option Schemes of the Company.

Sl. No	Particulars	ESOP 2018
1	a) Options granted as on March 31, 2021	2,46,90,500
	b) Options granted during the year	12,40,500
2	Options vested as on March 31, 2021	1,49,18,750
3	Options exercised as on March 31, 2021	27,78,500
4	No. of shares arising as a result of exercise of options as on March 31, 2021	NIL#
5	Options Lapsed as on March 31, 2021	20,40,500**
6	Exercise Price	₹ 6 - ₹ 18
7	Variation of terms of options	None
8	Money realized by exercise of options upto March 31, 2021	₹ 1,66,71,000
9	Total number of options in force	1,98,71,500
10	Employee wise details of options granted during the year under review to:	
	(i) Key managerial personnel	-
	(ii) other employee receiving a grant in the year of option amounting to 5% or more of options granted during that year	Rajkumar Esetty Tirumala - 75,000 Vibin Mathew - 75,000 Suresh Chintada - 7,40,000 Gautam Sarkar - 2,00,500
	(iii) identified employees who were granted option, during the year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	-
11	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (Ind AS) 33 'Earnings per share'	₹ 0.48
12	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options. The impact of this difference on profits and on EPS of the Company is:	N.A.
13	Weighted-average exercise prices and weighted-average fair values of options separately for options whose exercise price either equals or exceeds or is less than the market price of the stock. (As per note 33 of the Standalone financials)	Weighted average exercise price: ₹ 6.75 Weighted average fair value: ₹ 12.64
14	Description of the method used during the year to estimate the fair values of options, including the following weighted-average information:	Black Scholes model
	i. risk-free interest rate	6.12%
	ii. expected life	2 years
	iii. expected volatility	72.08%
	iv. expected dividends	1.88%
	v. market price on grant date	₹ 26.55

**In accordance with the provisions of the ESOP Scheme 2018, lapsed options are reissued.

There are no fresh equity shares arising because of exercise of options during the year ended March 31, 2021. Shares were transferred from the ESOP Trust against the exercise of options.

For Subex Limited

Anil Singhvi
Chairman, Non-Executive & Non-Independent Director
DIN:00239589
Place: Mumbai
Date: May 17, 2021

For Subex Limited

Vinod Kumar Padmanabhan
Managing Director & CEO
DIN:06563872
Place: Bengaluru
Date: May 17, 2021

ANNEXURE B

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

Members of Subex Limited

We have examined the compliance of conditions of Corporate Governance by Subex Limited ("the Company"), for the purpose of certifying of the Corporate Governance under Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the period April 01, 2020 to March 31, 2021. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BMP & Co. LLP
Company Secretaries

Pramod S M
Partner
FCS: 7834 / CP No. 13784
UDIN: F007834C000337341

Date: May 17, 2021
Place: Bengaluru

ANNEXURE C

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Sub Section (1) of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

To,

The Members,

SUBEX LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Subex Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2021 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company during the audit period according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)**;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**;

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period)**; and

   i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

vi) Other Laws Applicable Specifically to the Company namely:

   a. Information Technology Act, 2000 and the rules made thereunder.

   b. Special Economic Zones Act, 2005 and the rules made thereunder.

   c. Copy Right Act, 1957.

We have also examined the compliance with the applicable clauses of the following:

a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.

b. Listing Agreements entered into by the Company with the BSE Limited and the National Stock Exchange of India Limited.

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc., mentioned above subject to the following observation:

Pursuant to the provisions of sub-rule (4A) of rule 5 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, Form No. IEPF-1A is yet to be filed by the Company.

WE FURTHER REPORT THAT:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except with respect to those agenda items which the company deemed to be unpublished price sensitive information (UPSI), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.

We further report that based on the review of compliance mechanism adopted by the Company i.e., of providing adequate presentations by the heads of concerned departments at the Board Meetings, regarding compliance with the applicable laws and its adherence, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the audit period, except for the following events, there was no event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.,

The Board at its meeting held on February 07, 2020 had approved the Scheme of Reduction of Equity share capital of the Company by reducing the face value per equity share from ₹ 10 to ₹ 5 per share. The Scheme was subject to the approval of the shareholders and the Honorable National Company Law Tribunal. The Special Resolution for the reduction of share capital of the Company from ₹ 5,62,00,29,350/- divided into 56,20,02,935 equity shares of ₹ 10/- each to ₹ 2,81,00,14,675/- divided into 56,20,02,935 equity shares of ₹5/- each by reducing face value of each equity share from ₹ 10/- to ₹ 5/-, along with a reduction to the Securities Premium Account of the Company from ₹ 2,67,04,28,364/- to ₹ 1,64,03,33,337/- and such cumulative reduction was effected by writing off of the Accumulated Losses of ₹ 3,84,01,09,702/-.was passed by way of Postal Ballot on June 25, 2020.

Further, the company had filed an application before the Hon'ble National Company Law Tribunal (NCLT) , Bengaluru under section 66 & section 52 for seeking its approval for the reduction of share capital vide C.P. No. 88/BB/2020 and had received the approval from Hon'ble NCLT vide its order dated September 23, 2020 and the same was filed with the Registrar of Companies, Karnataka on September 29, 2020 (effective date of the Scheme)

Consequent to the reduction of share capital, the Company has altered its clause V of Memorandum of Association by way of reducing the face value of equity shares from ₹ 10/- each to ₹ 5/- each.

For V. SREEDHARAN & ASSOCIATES

(Pradeep B. Kulkarni)
Partner
FCS: 7260; CP No. 7835
UDIN Number F007260C000335082
Peer Review Certificate No. 589/2019
Place: Bengaluru
Date: May 17, 2021

This report (i.e., Form No. MR-3) is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

'Annexure'

To,

The Members,
Subex Limited
Pritech Park - SEZ
Block -09, 4th Floor, B Wing
Survey No. 51 to 64/4
Outer Ring Road, Bellandur Village
Varthur Hobli, Bengaluru – 560 103

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. Due to COVID-19 pandemic situation, we have conducted online verification and examination of records, as facilitated by the Company for the purpose of issuing Secretarial Audit Report (Form No. MR-3).

For V. SREEDHARAN & ASSOCIATES

(Pradeep B. Kulkarni)
Partner
FCS: 7260; CP No. 7835
UDIN Number F007260C000335082
Peer Review Certificate No. 589/2019
Bengaluru
May 17, 2021

SECRETARIAL COMPLIANCE REPORT OF SUBEX LIMITED FOR THE YEAR ENDED MARCH 31, 2021.

We have examined:

(a) all the documents and records made available to us and explanation provided by Subex Limited ("the listed entity");

(b) the filings/ submissions made by the listed entity to the stock exchanges;

(c) website of the listed entity;

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification;

for the year ended March 31, 2021 ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars / guidelines issued thereunder, have been examined, include: -

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the Review Period).

(e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not Applicable to the Company during the Review Period).

(g) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013. (Not Applicable to the Company during the Review Period).

(h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

and based on the above examination, we hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.

(c) The following are the details of actions taken against listed entity by National Stock Exchange (NSE) under aforesaid Acts/Regulations and circulars/guidelines issued thereunder:

Sl. No.	Action taken by SEBI / Stock Exchanges	Details of violation	Details of action taken E.g. fines, warning letter, debarment etc.,	Observations/ remarks of the Practicing Company Secretary if any
1	The Company had received Letter bearing reference no. NSE/LIST/SOP/0449 dated June 23, 2020 from the National Stock Exchange (NSE) conveying its decision of rejecting the waiver request submitted by the Company through its various letters seeking additional time for appointment of 6th Director on the Board pursuant to the provisions of Regulation 17(1)(c) of LODR.	The company had delayed compliance with Regulation 17 (1) (c) of the SEBI (LODR) Regulations, 2015 i.e., delayed in appointing the 6th Director on the Board of the Company, and the NSE had imposed fine of ₹ 6,45,000 for the said delay.	The Company has remitted an amount of ₹ 6,45,000 on July 08, 2020 towards the fine imposed by the NSE for the said reason.	Since the Company has paid the requisite fine no further remarks required in this regard.

There was no action taken against the listed entity's promoters/ directors / material subsidiaries either by SEBI (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder during the period under review.

(d) The listed entity has taken the following action to comply with the observation made in previous reports:

Sl. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended.	Actions taken by the listed entity if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	Pursuant to Regulation 17(1)(c) of LODR, there was a delay in appointing the 6th Director on the Board of the Company. The Company has appointed 6th Director w.e.f 07.02.2020.	31.03.2020	The Company has appointed 6th Director w.e.f 07.02.2020.	No remarks since it has been complied.

NOTE: Due to Covid-19 pandemic situation, we have conducted online verification and examination of records, as facilitated by the Company for the purpose of issuing this Report.

For V. SREEDHARAN & ASSOCIATES

(Pradeep B. Kulkarni)
Partner
FCS: 7260; CP No. 7835
Bengaluru
May 17, 2021
UDIN Number F007260C000335291
Peer Review Certificate No. 589/2019

ANNEXURE D

PARTICULARS OF EMPLOYEES

Particulars	Mr. Venkatraman G S	Mr. Shiva Shankar Naga Roddam *
Designation of the employee	Chief Financial Officer & Senior Vice President	Whole-Time Director & Chief Operating Officer
Remuneration received	₹ 113 lakhs [&]	₹ 17 lakhs
Nature of employment, whether contractual or otherwise	Permanent	Permanent
Qualifications of the employee	B.Com (honours) -Delhi University, MBA (Finance)- IGNOU, New Delhi, Graduate of Advanced Corporate Finance Program, IIM Ahmedabad.	Bachelor's in Engineering in Electronics & Telecommunications, from the Institution of Electronics & Telecommunication Engineers, New Delhi (IETE), Bachelor's in Triple Maths, Osmania University, Hyderabad Master's in Business Administration from the Institute of Management Development and Research, Pune, Maharashtra (IMDR).
No. of years of experience	29 Years	25 Years
Date of commencement of employment	October 29, 2018	December 05, 2018
The age of such employee	51	47
The last employment held by such employee before joining the Company	Mindtree Ltd	Plivo
The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendments thereto)	2,75,000 (0.05%)	2,50,000 (0.04%)
Whether any such employee is a relative of any Director or manager of the Company and if so, name of such Director or manager	N.A.	N.A.

[&] Inclusive of the perquisite arising on account of exercise of options.

* The Board at its meeting held on February 01, 2021, changed the employment agreement of Mr. Shiva Shankar Naga Roddam from Subex Assurance LLP to Subex Limited and subject to the approval of the members at the 27th AGM, revised the remuneration of Mr. Shiva Shankar Naga Roddam with effect from April 01, 2021. The remuneration stated herein was drawn by Mr. Shiva Shankar Naga Roddam from the Company for the period February 01, 2021 to March 31, 2021.

ANNEXURE E

FORM AOC 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the

Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis	
1. Name(s) of the related party and nature of relationship	NOT APPLICABLE
2. Nature of contracts/ arrangements/ transactions	
3. Duration of the contracts/ arrangements/ transactions	
4. Salient terms of the contracts or arrangements or transactions including the value, if any	
5. Justification for entering into such contracts or arrangements or transactions	
6. Date(s) of approval by the Board	
7. Amount paid as advances, if any:	
8. Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
2. Details of material contracts or arrangement or transactions at arm's length basis	
(a) Name(s) of the related party and nature of relationship	(a) Subex Technologies Limited (b) Subex (UK) Limited (c) Subex Americas Inc. (d) Subex (Asia Pacific) Pte Limited (e) Subex Inc. (f) Subex Middle East (FZE) (g) Subex Azure Holdings Inc. (h) Subex Assurance LLP (i) Subex Digital LLP (j) Subex Bangladesh Private Limited
	(All the aforementioned entities are subsidiaries of Subex Limited)
(b) Nature of contracts/ arrangements/ transactions	A. Sub-Contracting and Support Services Transactions • Subex (Asia Pacific) Pte. Ltd • Subex Inc. • Subex Assurance LLP • Subex Digital LLP B. Marketing & Support Services Expense Transactions • Subex (Asia Pacific) Pte. Ltd • Subex Inc. • Subex Assurance LLP • Subex Digital LLP C. Reimbursement of expenses • Subex (UK) Limited • Subex (Asia Pacific) Pte Ltd • Subex Assurance LLP • Subex Digital LLP • Subex Inc. D. Allocation of Employee Stock option expenses • Subex Assurance LLP • Subex Digital LLP E. Share of profit/ (loss) • Subex Assurance LLP • Subex Digital LLP F. Net liabilities transferred from: • Subex Assurance LLP • Subex Digital LLP

(c) Duration of the contracts/ arrangements/ transactions	The transactions mentioned in 2(b) above are continuing contracts.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	A. Sub-Contracting and Support Services Transactions The subsidiary transfers a portion of the revenue generated by them to the ultimate holding Company. Common costs pertaining to sales and business support function are recovered by the Company from other group entities. B. Marketing & Support Services Expense Transactions The subsidiary transfers the cost incurred in earning the revenue to the ultimate holding Company. Common costs pertaining to sales and business support function are recovered by other group entities from the Company. C. Reimbursement of expenses Group entities incur cost on behalf of other entities for administrative convenience, which is then cross charged to respective entity on cost-to-cost basis. D. Reimbursement of ESOP expenses The holding company transfers the ESOP expense incurred on pertaining to ESOPs held by the employees of respective subsidiaries. E. Share of Profit/ (Loss) Subex Assurance LLP and Subex Digital LLP transfers share of profit/ (loss) incurred during the year to the respective partners as per the partnership deed. The details pertaining to the value of transactions, form part of the Related Party Schedule to the Standalone Financial Statements (Note 30).
(e) Date(s) of approval by the Board, if any:	May 11, 2020 and May 17, 2021
(f) Amount paid as advances, if any:	N.A.

Additional Note for point no. 2 : The Company had granted an interest free loan to the Subex Employee Welfare and ESOP Benefit Trust during the financial year.

For Subex Limited

Anil Singhvi
Chairman, Non-Executive & Non-Independent Director
DIN:00239589
Place: Mumbai
Date: May 17, 2021

For Subex Limited

Vinod Kumar Padmanabhan
Managing Director & CEO
DIN:06563872
Place: Bengaluru
Date: May 17, 2021

ANNEXURE F

Details / Disclosures of Ratio of Remuneration

Particulars	
(i) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;*	Vinod Kumar Padmanabhan (MD & CEO) 3.04 : 1.00 Shiva Shankar Naga Roddam (WTD & COO): Incomparable as Mr. Shiva Shankar Naga Roddam drew his remuneration from Subex Assurance LLP for the period from April 2020-January 2021.
(ii) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	MD & CEO: NIL CFO & SVP: 15.62%, CS: 11.90% WTD & COO:6.82%.
(iii) the percentage increase in the median remuneration of employees in the financial year; #	Incomparable.
(iv) the number of permanent employees on the rolls of Company;	As on March 31, 2021 - 173 As on December 31, 2020 - 22
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There was an average increase of 5.95% in the salaries of employees other than managerial personnel. There was no increase in the remuneration paid to the Managing Director & CEO during the period under review. There was an increase of 6.82%, 15.62 % and 11.90 % in the remuneration paid to the Whole-Time Director & COO, the Chief Financial Officer & SVP & the Company Secretary, respectively, during the period under review. The remuneration of Directors, Senior Management and Employees is as per the Remuneration Policy of the Company.
(vi) Affirmation that the remuneration is as per the remuneration policy of the Company.	The remuneration of Directors, Senior Management and Employees is as per the Remuneration Policy of the Company.

* Compared for a period of nine months ended December 31, 2020.

With effect from January 01, 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. Due to the same, the details pertaining to increase in median remuneration of employees in the financial year, cannot be compared.

ANNEXURE G

ANNUAL REPORT ON CSR ACTIVITIES

Sustainable practices have always been an integral part of Subex Limited. Corporate Social Responsibility is a large part of our overall sustainability policy encompassing social action. The Subex Charitable Trust is our primary social responsibility trust. The objectives are enabling education of eligible students from financially weaker sections of society, vocational training for women, amongst others.

OBJECTIVE AND SCOPE

The objective of the Corporate Social Responsibility ("CSR") policy of Subex Limited ("the Company") is to lay down guidelines to enable the Company to take the required measures to make a meaningful contribution to the society and other stakeholders. The Policy is available on https://www.subex.com/investors/shareholder-services/.

The CSR Activities of the Company will be focused on :

a) eradicating extreme hunger and poverty; b) promotion of education; c) promoting gender equality and empowering women; d) reducing child mortality and improving maternal health; e) combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases; f) ensuring environmental sustainability; g) employment enhancing vocational skills; h) social business projects; i) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and j) such other matters as may be prescribed.

For more detail visit https://www.subex.com/social-responsibility/

1. CSR COMMITTEE & ITS COMPOSITION

To enable the Company to take required measures to make a meaningful contribution to society and other stakeholders, it has constituted the Corporate Social Responsibility Committee (CSR Committee) comprising of the following Directors as on March 31, 2021 and the Committee meets as and when required. The details of the composition of the Committee and the CSR Policy of the Company are available under https://www.subex.com/investors/shareholder-services/.

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Anil Singhvi (Chairman)	Non-Executive & Non-Independent Director	0	N.A.
2	Ms. Nisha Dutt	Independent Director	0	N.A.
3	Mr. Vinod Kumar Padmanabhan	Managing Director & CEO	0	N.A.
4	Mr. Shiva Shankar Naga Roddam	Whole-Time Director & COO	0	N.A.

1. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable:

   Not applicable

2. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

   Not applicable

3. Average net profit of the Company as per section 135(5): Not applicable, as the Company has incurred a loss during the preceding 3 financial years.

4. (a) Two percent of average net profit of the Company as per section 135(5): Not Applicable

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (4a+4b+4c): NIL for FY 2020-21

5. (a) CSR amount spent or unspent for the financial year: Nil

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
Nil	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	Not applicable				

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes /No).	Location of the project.		Project duration	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration no
Not applicable												

(c) Details of CSR amount spent against other than ongoing projects for the financial year: NIL

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the Financial Year (5b+5c+5d+5e): Not applicable

(g) Excess amount for set off, if any,: Nil

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	Not applicable, as the Company has incurred a loss during the preceding 3 financial years
(ii)	Total amount spent for the Financial Year	Not applicable
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not applicable

(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Not applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Not applicable

6. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135(6) (in ₹).	Amount spent in the reporting Financial Year (in ₹.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial.
				Name of the Fund	Amount (in ₹).	Date of transfer	
1	Not applicable						
2							
3							
4							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): N.A.

1	2	3	4	5	6	7	8	9
Sl. No	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹).	Status of the project - Completed / Ongoing.
1	Not applicable							
2								
3								
	TOTAL							

7. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).: Not applicable

(b) Amount of CSR spent for creation or acquisition of capital asset.: NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).: N.A.

8. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The Company has incurred losses during the preceding 3 financial years; hence it is not mandatory to incur an expenditure on CSR activities.

For Subex Limited Anil Singhvi Chairman CSR Committee DIN:00239589 Place: Mumbai May 17, 2021	For Subex Limited Vinod Kumar Padmanabhan Managing Director & CEO DIN:06563872 Place: Bengaluru May 17, 2021

Note: The Company has incurred losses during the preceding 3 financial years. Though it is not mandatory to incur any expenditure on CSR activities, the SCT has undertaken and contributed towards certain activities. Please refer Page 31 of the Annual Report for details.

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Ideology of Corporate Governance is based on fairness, openness, professionalism, accountability and focus on the sustainable success of the Company and building confidence of its various stakeholders, thereby paving a way for long term growth. The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. Therefore, situation, performance, ownership and governance of the Company are equally important with respect to the structure, activities and policies of the organization. Subex Limited's ("Subex / the Company") compliance with the Corporate Governance guidelines as stipulated by the Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR), Regulations, 2015"] is described in this section.

For the success of the organisation, we believe it requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our stakeholders, our people and our business partners. These principles have been the guiding force for our operations which we will endeavor in years to come.

The Company's Corporate Governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law
- Be transparent and maintain high degree of disclosure levels
- Communicate externally, in a truthful manner, about how the Company is run internally
- Comply with the laws in all the countries in which the Company operates

Subex is committed to good Corporate Governance practices. Consistent with this commitment, Subex seeks to achieve a high level of responsibility and accountability in its internal systems and policies. Subex respects the inalienable rights of the shareholders to information on the performance of the Company. The Company ensures, among others, the accountability of the Board of Directors and the importance of its decisions to all its participants viz., customers, employees, investors, regulatory bodies etc.

All details mentioned in this Report are as at March 31, 2021, unless otherwise stated. Material changes and events between the end of the financial year and date of the report are provided wherever required.

II. BOARD OF DIRECTORS

As on March 31, 2021, the Board of Directors of Subex Limited comprises of six directors out of which two are Executive Directors, three are Independent Directors and one Non- Executive Director. The Independent Directors satisfy the criteria of independence specified in the Act and as laid down under Regulation 16 (1) (b) of the SEBI (LODR) Regulations, 2015. They also meet the criteria for their appointment formulated by the Nomination & Remuneration Committee ("NRC") as approved by the Board.

Details of appointments / re-appointments:

i. The Board at its meeting held on March 01, 2021, subject to the approval of the members at the 27th AGM approved the re-appointment of Mr. Vinod Kumar Padmanabhan as the Managing Director & CEO of the Company for a period of 3 years with effect from April 01, 2021.

ii. The Board at its meeting held on February 01, 2021, changed the employment agreement of Mr. Shiva Shankar Naga Roddam from Subex Assurance LLP to Subex Limited and subject to the approval of the members at the 27th AGM revised the remuneration of Mr. Shiva Shankar Naga Roddam with effect from April 01, 2021.

iii. Based on the recommendation s of the Nomination & Remuneration Committee, the Board at its meeting held on May 11, 2020 approved the re-appointment of Mr. Anil Singhvi (DIN: 00239589) as Non- Executive & Non-Independent Director of the Company with effect from June 18, 2020 and the same has been approved by the members at the 26th AGM of the Company held on September 25, 2020.

A. Board Process:

The Board meets at regular intervals or atleast once in each quarter to discuss and decide on Company / Business policy and strategy apart from other Board business specifically reserved for its attention to ensure that it exercises full control over significant strategic, financial, operational and compliance matters. The Board / Committee Meetings are pre-scheduled and informed to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The agenda items along with notes and information thereto (except for the price sensitive information, which is either placed at the meeting or sent just before meeting) as provided in Secretarial Standard (SS-1) on "Meeting of the Board of Directors" read with SEBI (LODR) Regulations, 2015 and Companies Act, 2013, are circulated to all Board Members well in advance before the Board Meetings. Additional agenda in the form of 'Other Business" are included with the permission of the Chairman and with the consent of the majority of the Independent Directors present at the meeting.

B. Details of Board of Directors and their attendance is as follows:

Director	Position & Category	No. of Board Meetings Held	No. of Board Meetings Attended	Last AGM Attended	No. of Directorships in Private Companies#	No. of Directorships in Public Companies *	No. of Board/ Committees in Which the Director is Chairman &	No. of Board / Committees in Which the Director Is Member &
Mr. Anil Singhvi$	Chairman, Non-Executive & Non-Independent Director	7	7	Yes	4	5	1	4
Mr. Vinod Kumar Padmanabhan%	Managing Director & Chief Executive Officer [Executive Director]	7	7	Yes	-	2	-	1
Ms. Nisha Dutt	Independent Director	7	7	Yes	1	1	1	1
Ms. Poornima Prabhu	Independent Director	7	7	Yes	-	1	-	2
Mr. George Zacharias	Independent Director	7	7	Yes	-	2	-	2
Mr. Shiva Shankar Naga Roddam**	Whole-Time Director & COO [Executive Director]	7	7	Yes	-	1	-	-

Details of Directorships along with category held by Directors in other Listed Entities:

Name of the Director	Name of the Listed Entity	Category of Directorship
Mr. Vinod Kumar Padmanabhan%	Nil	Nil
Mr. Anil Singhvi$	Hindustan Construction Company Limited	Independent Director
	Shree Digvijay Cement Co Limited	Executive, Non-Independent Director
Ms. Nisha Dutt	Nil	Nil
Ms. Poornima Prabhu	Nil	Nil
Mr. George Zacharias	Matrimony.com Limited	Non-Executive, Independent Director
Mr. Shiva Shankar Naga Roddam**	Nil	Nil

Notes:

* Includes both Listed and Unlisted Public Companies and includes the Directorship details held in Subex Limited.

& Memberships/Chairmanships of only Audit Committee and Stakeholders Relationship Committee in public companies (listed and unlisted) including Subex Limited is considered as per the requirements of Regulation 26 (1) (b) of SEBI (LODR) Regulations. Membership details mentioned above includes chairmanship positions held.

** The Board at its meeting held on February 01, 2021, changed the employment agreement of Mr. Shiva Shankar Naga Roddam from Subex Assurance LLP to Subex Limited and subject to the approval of the members at the 27th AGM revised the remuneration of Mr. Shiva Shankar Naga Roddam with effect from April 1, 2021.

$ Mr. Anil Singhvi (DIN: 00239589) has been re-appointed as Non-Executive & Non-Independent Director of the Company with effect from June 18, 2020.

% The Board at its meeting held on March 01, 2021, subject to the approval of the members at the 27th AGM approved the re-appointment of Mr. Vinod Kumar Padmanabhan as the Managing Director & CEO of the Company for a period of 3 years with effect from April 01, 2021.

No. of Directorships in Private Companies' includes count of section 8 companies as well.

C. Number and Dates of Board Meetings

Details of meetings of the Board held during the financial year 2020-21 are as follows:

Sl. No	Board Meeting Number	Date of the Board Meeting
1.	No. 1/2020-21	May 11, 2020
2.	No. 2/2020-21	July 15, 2020
3.	No. 3/2020-21	August 10, 2020
4.	No. 4/2020-21	September 24, 2020
5.	No. 5/2020-21	November 09, 2020
6.	No. 6/2020-21	February 01, 2021
7.	No. 7/2020-21	March 01, 2021

D. Disclosure of relationships between directors inter-se:

There are no inter- se relationships between the Board members.

E. Details of Shareholding of Executive and Non- Executive Directors:

Name of the Director	No. of Shares Held as at March 31, 2021	% of equity
Mr. Anil Singhvi	60,000	0.011
Ms. Nisha Dutt	NIL	NA
Ms. Poornima Prabhu	NIL	NA
Mr. Vinod Kumar Padmanabhan	4,44,095	0.079
Mr. George Zacharias	NIL	NA
Mr. Shiva Shankar Naga Roddam	2,50,000	0.044

There are no convertible instruments held by the Executive and Non-Executive directors of the Company.

F. Term of Board Membership and Selection process

The Board, on recommendations of the Nomination & Remuneration Committee of the Board ["NRC"], considers the appointment and reappointment of Directors. Section 149(10) of the Companies Act, 2013, provides that an Independent Director shall hold office up to five consecutive years on the Board of a Company, not liable to retire by rotation, and shall be eligible for re-appointment for a further term at a maximum of five years on passing of a special resolution by the Shareholders. Section 152 of the Companies Act, 2013, states that one-third of the Board members other than Independent Directors who are subject to retire by rotation, shall retire every year and are eligible for re-appointment, if approved by the Shareholders. The Non-Executive & Non-Independent Directors including Managing Director & Chief Executive Officer of the Company are liable to retire by rotation and eligible for re-appointment, if approved by the Shareholders.

Recommending any new member on the Board is the responsibility of the NRC which consists of a majority of Independent Directors. Given the existing composition of the Board, the tenure as well as the years left of the existing members to serve on the Board, and the need for new domain expertise is reviewed by the NRC for the appointment of new member on the Board. When such a need becomes apparent, the NRC reviews potential candidates in terms of their expertise, attributes, personal and professional backgrounds, and their ability to attend meetings in India. It then places the details of shortlisted candidates to the Board for its consideration. If the Board approves, the person is appointed as an Additional Director of the Company and subject to the approval of Shareholders at the next general meeting they are appointed as a Director of the Company either as Independent Director / Non-Executive & Non-Independent Director / Executive Director as the case may be.

G. Familiarization Programme for Independent Directors

Pursuant to Regulation 25(7) of the SEBI (LODR) Regulations, 2015, the familiarization programme aims to provide independent directors with the industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments to enable them to take well informed decisions in a timely manner. The familiarization programme also seeks to update the directors on the roles, responsibilities, rights and duties under the Companies Act, 2013 and other statutes. Details of the familiarization programme imparted to independent directors is available on the following link https://www.subex.com/shareholder-services/.

Core Skills/Expertise/Competencies of the Board of Directors.

The Board of Directors comprises of highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision-making process.

The following are the core skills, expertise and competencies for effective functioning of the Company which are currently available with the Board:

Competencies / Skills	Description
Finance and Governance	Financial management, Capital allocation, accounting, financial reporting, Compliance, best practices in governance, ethics and values to enhance the value of the stakeholders.
Strategy	Management decisions, branding, operational integration, understanding diverse business environments, economic conditions and regulatory framework.
Sales and marketing	Developing strategies for increasing market share, Sales growth, expanding global markets and enhance reputation of the organisation.
Personnel and Leadership	People practices and policies, geographic, cultural and economic conditions and driving strengths and talent, succession planning, risk management and long term growth.

Mr. Anil Singhvi, Chairman & Non-Independent Director (Non-Executive & Non-Independent Director of the Company with effect from June 18, 2020) is a Chartered Accountant, and has over three decades of experience in the corporate sector and has rich expertise in financial, strategic planning for business and related aspects. Apart from Subex Limited he is also on the board of reputed companies.

Mr. Vinod Kumar Padmanabhan, Managing Director & CEO has over two decades of experience in the corporate world and has spearheaded several initiatives that helped the Company engage with its customer as a long-term strategic partner. He is also involved in the field of Sales, customer interaction and negotiation wherever needed. Since April 01, 2018 he has been instrumental in ramping up Subex's operations in Africa, Eastern Europe and the Middle East. He has been successful in meeting the top industry heads and has been a part of several discussion forums which has added value to the company in attracting the business talents and major business dealings.

Ms. Poornima Prabhu, Independent Director holds a Bachelor of Arts and a Law degree and provides her valuable advice to the Board and assists in the decision making related to the Legal and Governance aspects. She has served at Lodha Ventures Holdings Pvt., Ltd., as Head–Legal and as of Counsel at J. Sagar Associates. She has rich experience in corporate law, including mergers and acquisitions, divestment and litigation settlement.

Ms. Nisha Dutt, Independent Director holds a Master's in Business Administration and provides her expertise to the management in devising the business management, strategic plans and adds value towards solving the management related queries. She has played a vital role as a CEO of Intellecap and was responsible for front ending the conceptualization programmes.

Mr. George Zacharias has over three decades of diverse and successful work experience. He holds a graduate degree in Chemical Engineering and a PG Diploma in Business Management. He has worked with reputed companies across and assists the management in decision making process concerning with the business strategy and operational matters.

Mr. Shiva Shankar Naga Roddam is the Whole-Time Director & Chief Operating Officer responsible for Sales, Marketing, Engineering & Delivery of Subex Group who has over two decades of experience in Telecommunications, Cloud and PaaS. He comes with extensive international experience and ability to scale businesses in competitive environments, particularly around the SaaS space. He holds a degree in Business Management with specialization in Sales & Marketing.

H. Independent Directors

As on date, the Company has three Independent Directors including two Women Independent Directors on the Board. All the Independent Directors satisfy the criteria of Independence as laid down in the Companies Act, 2013 and the SEBI (LODR) Regulation, 2015.

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective profession, and who can effectively contribute to the Company's business and policy decisions are considered by the NRC of the Company, for appointment as Independent Director on the Board. The NRC, inter alia, considers skills, qualifications, positive attributes, area of expertise, number of Directorship(s) and Membership(s) held in other companies by such persons, in accordance with Company's policies on selection of Directors.

As required under the Companies Act, 2013, one meeting of the Independent Directors of the Company was held on February 01, 2021.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent directors, fulfil the conditions of Independence specified in section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

I. Directors Remuneration

The Company has a policy for the remuneration of Directors including Independent Directors. The remuneration policy lays down principles and parameters to ensure that remunerations are competitive, reasonable, and in line with corporate and individual performance. The Executive Director is appointed by Shareholders' resolution which includes their remuneration to be paid to them which is in line with the statutory requirements and Company's policies. The annual remuneration is recommended by the Nomination & Remuneration Committee to the Board for its consideration. While recommending the remuneration, the committee also takes into account corporate performance in a given year and individual performance parameters. The remuneration is within the limits approved by Shareholders. Perquisites and retirement benefits are paid in accordance with the Company's compensation policies, as applicable to all employees. Independent Directors are entitled to receive sitting fees and reimbursement of any expenses for attending meetings of the Board and its Committees. The Remuneration paid by the Company is in conformity with the provisions of the Companies Act, 2013, and has been considered and approved by the Board and the Shareholders. The Company has not granted any stock options to Independent Directors.

Subject to the approval of the shareholders at the 27th AGM of the Company, the Board at its meeting held on May 17, 2021 approved the proposal for payment of remuneration by way of commission to Independent and Non-Executive Directors, at a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013. In any financial year, if the Company has no profits or its profits are inadequate, the Company may pay remuneration to its Independent Directors and Non-Executive Directors, in accordance with the terms of Section II of Part II of Schedule V of the Companies Act, 2013.

Details of the remuneration paid/payable to the Directors (Executive/Non-Executive/Independent Directors) as required under the SEBI (LODR) Regulation, 2015 as well as under the Companies Act, 2013 are provided as part of this report.

III. AUDIT COMMITTEE

The constitution of the Audit Committee complies with the requirement under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations. Ms. Nisha Dutt, Chairperson of the Audit Committee was present at the 26th Annual General Meeting. The Company Secretary acts as the Secretary to the Committee. The Chief Financial Officer, the Senior Management, the Statutory Auditors and the Internal Auditors are invited to attend all the meetings of the Committee.

A. Terms of Reference

The Audit Committee has inter alia, the following mandate as prescribed under Part C of Schedule II of The SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013 some of which are:

1. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re- appointment, terms of appointment or reappointment and, if required, the replacement or removal of the statutory auditor and their remuneration.
3. Approving the payment to be made to the statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
    b) Changes, if any, in accounting policies and practices and reasons for the same.
    c) Major accounting entries involving estimates based on the exercise of judgment by management.
    d) Significant adjustments made in the financial statements arising out of audit findings.
    e) Compliance with listing and other legal requirements relating to financial statements.
    f) Disclosure of any related party transactions.
    g) Modified opinions in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
8. Reviewing, with the management, performance of statutory and internal auditor's adequacy of the internal control systems.
9. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
10. Discussing with internal auditors any significant findings and follow up there on.
11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
12. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
13. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
14. Overseeing the functioning of the whistle blower/ vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and to take action against repeated frivolous complaints filed by director or employee.
15. Powers to investigate any activity within its terms of reference or referred to it by the Board, have full access to information contained in the books of accounts, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
16. Carrying out any other function as mentioned in the terms of reference of the Audit Committee and as prescribed under the SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and the Rules made thereunder and any other statutory/regulatory body from time to time.
17. Examination of the financial statement and the auditor's report thereon.
18. Scrutinizing the inter-corporate loans and investments.
19. Valuation of undertakings or assets of the Company, wherever it is necessary.
20. Evaluating the internal financial controls and risk management systems.
21. Monitoring the end use of funds raised through public offers and related matters.
22. Approving the appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the

qualifications, experience and background, etc. of the candidate.

23. Calling for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and discussing any related issues with the internal and statutory auditors and the management of the Company, if any.

24. Approval or any subsequent modification of transactions of the Company with related parties.

25. Approval / recommendation to the Board of the transactions other than transactions referred to in Section 188.

26. Omnibus approval of the related party transactions proposed to be entered into by the Company subject to the provisions of the Companies Act 2013.

27. Ratification of the transactions upto ₹ 1 crore entered into by a director or officer of the Company without obtaining prior approval of the Audit Committee.

28. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

The Audit Committee charter containing terms of reference is also available on the Company's website at https://www.subex.com/investors/shareholder-services/.

B. Composition of the Audit Committee as on March 31, 2021

The Board at its meeting held on May 11, 2020 re-constituted the committee as mentioned below w.e.f June 18, 2020:

Sl. No	Name of the Director	Category
1.	Ms. Nisha Dutt (Chairperson)	Independent Director
2.	Mr. Anil Singhvi	Non-Executive & Non-Independent Director
3.	Ms. Poornima Prabhu	Independent Director
4.	Mr. George Zacharias	Independent Director

C. Meetings and Attendance of the Committee during the Year 2020-21:

During the financial year 2020-21, the following meetings of the Audit Committee were held:

Sl. No	Meeting No.	Date of the meeting
1.	No. 1/ 2020-21	May 11, 2020*
2.	No. 2/ 2020-21	August 10, 2020*
3.	No. 3/ 2020-21	November 09, 2020*
4.	No. 4/ 2020-21	February 01, 2021*

*dates on which the Quarterly/Half Yearly/Year ended results for the financial year 2020-21 were considered.

The Attendance of the directors at the Audit Committee Meetings during the Financial Year 2020-21 were as follows:

Name of the Director	No. of Audit Committee Meetings Held	No. of Audit Committee Meetings Attended
Ms. Nisha Dutt (Chairperson)	4	4
Mr. Anil Singhvi	4	4
Ms. Poornima Prabhu	4	4
Mr. Vinod Kumar Padmanabhan**	1	1
Mr. George Zacharias	4	4

** Mr. Vinod Kumar Padmanabhan stepped down as Member of the Audit Committee w.e.f. June 18, 2020

IV. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee has been constituted as required under Section 178 of the Act and Regulation 19 of SEBI (LODR) Regulations. The Nomination & Remuneration Committee comprises of three directors out of which two are Independent directors including chairperson and one is Non- Executive & Non- Independent director.

The Nomination & Remuneration Committee has, inter alia, the following mandate as prescribed under Part C of Schedule II of The SEBI (LODR) Regulations, 2015 and Section 17 of the Companies Act, 2013 some of which are:

A. Terms of Reference

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director, KMP or other employees and recommend to the Board of Directors a policy relating to the appointment & remuneration of the directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of performance of independent directors and the board of directors and specifying the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, the Committee or by an independent external agency and review its implementation and compliance.

3. Devising a policy on diversity of board of directors;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment, remuneration and removal.

5. Develop and recommend to the Board succession plan for the key positions in the Company (the "Succession Plan"), to review the Succession Plan periodically, develop and evaluate potential candidates for executive positions and recommend to the Board any changes to, and any candidates for succession under, the Succession Plan and to perform a consultative and advisory role for any appointment requiring Board approval for the top management positions of the Company.

6. Administer the Company's equity incentive plans, including the review and grant of options to eligible employees under the plans and the terms and conditions applicable to such options, subject to the provisions of each plan.
7. Deciding on whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
8. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
9. Carrying out any other function as prescribed under the SEBI Listing Regulations, the Companies Act, 2013 and the Rules made thereunder and any other statutory/regulatory body from time to time.

The Nomination & Remuneration Committee charter containing terms of reference is also available on the Company's website at https://www.subex.com/investors/shareholder-services/.

B. Composition of the Nomination & Remuneration Committee as on March 31, 2021 is as follows:

The Board at its meeting held on May 11, 2020 re-constituted the committee as mentioned below w.e.f June 18, 2020:

Sl. No	Name of the Director	Category
1	Ms. Poornima Prabhu (Chairperson)	Independent Director
2	Mr. Anil Singhvi	Non-Executive & Non-Independent Director
3.	Ms. Nisha Dutt	Independent Director

C. Meetings and Attendance of the Committee during the Year 2020-21:

During the financial year 2020-21, the following meetings of the Nomination & Remuneration Committee were held:

Sl. No	Meeting No.	Date of the meeting
1.	No. 1/2020-21	May 11, 2020
2.	No. 2/2020-21	September 17, 2020
3.	No. 3/2020-21	February 01, 2021
4.	No. 4/2020-21	March 01, 2021

Ms. Poornima Prabhu, Chairperson of the Nomination & Remuneration Committee was present at the 26th Annual General Meeting.

Attendance of the members of the Nomination & Remuneration Committee meetings during the Financial Year 2020-21 were as follows:

Name of the Director	No. of Nomination & Remuneration Committee Meetings Held	No. of Nomination & Remuneration Committee Meetings Attended
Ms. Nisha Dutt	4	4
Mr. Anil Singhvi	4	4
Ms. Poornima Prabhu	4	4

D. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the directors individually, as well as the evaluation of all the Committees of the Board. The Committee formulated the criteria for evaluation of the Chairman, Board of Directors, Members of the Committee and Individual Directors and the evaluation is conducted accordingly. The evaluation criteria included aspects related to competency of directors, strategy and performance evaluation, governance, independence, effectiveness, structure of the board/committee, level of engagement and contribution, independence of judgement etc. The performance evaluation of the independent directors was carried out by the entire Board. The performance evaluation of the Chairman and non-independent directors was carried out by the independent directors. The directors expressed their satisfaction with the evaluation process and its results, which reflected in the overall management of the Board and its committees with the Company.

V. Remuneration Policy

The Remuneration Policy provides the framework to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives. The Remuneration policy is devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 and is available on the website of the Company under https://www.subex.com/investors/shareholder-services/. The Company follows a compensation mix of fixed pay, benefits and performance-based variable pay and sharing of wealth through the Company's stock options. Individual performance pay is determined by combination of individual and business performance of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and performance incentives (variable component) to its Executive Directors and Key Managerial Personnel.

A. Details of remuneration paid to all the Directors during the year 2020-21 are as follows:

The Nomination & Remuneration Committee determines and recommends to the Board, the compensation payable to the Executive Directors. All Board level compensation is approved by the shareholders, where necessary, and is separately disclosed in the financial statements. The compensation, however, is within the parameters set by the provisions of the Companies Act, 2013 and rules made thereunder.

Details of remuneration paid/payable to the directors during the year 2020-21 are as follows:

(₹ in lakhs)

Name	Sitting fees	Salary and perquisites
Mr. Anil Singhvi	20.00	-
Ms. Nisha Dutt	16.00	-
Ms. Poornima Prabhu	19.00	-
Mr. Vinod Kumar Padmanabhan	-	56.97
Mr. George Zacharias	11.00	-
Mr. Shiva Shankar Naga Roddam	-	17.40#

Remuneration drawn by Mr. Shiva Shankar Naga Roddam from the Company for the period February 01, 2021 to March 31, 2021.

Note: Subject to the approval of the shareholders at the 27th AGM of the Company, the Board at its meeting held on May 17, 2021 approved an amount of ₹ 12 lakhs be paid to each of the Independent Director and Non- Executive Director as Commission for the Financial year 2021.

Remuneration of Executive Directors:

The compensation paid to the Executive Directors were within the limits approved by the Shareholders. The elements of the total compensation are approved by the Nomination & Remuneration Committee within the overall limits specified under the Companies Act, 2013. The elements of compensation of the Executive Directors include the fixed compensation, variable compensation in the form of annual incentive, benefits, work related facilities and perquisites. The Nomination & Remuneration Committee determines the annual variable pay compensation in the form of annual incentive and annual increment for the Executive Directors based on Company's and individual's performance as against the pre agreed objectives for the year.

Details of Remuneration of Executive Directors during the year are given below:

Mr. Vinod Kumar Padmanabhan, Managing Director & CEO (April 01, 2018 to March 31, 2021)

a) Tenure: 3 years (April 01, 2018 to March 31, 2021).

b) Remuneration: ₹ 60,00,000 per annum for a period of 3 years from April 01, 2018.

c) Taxes: Mr. Vinod Kumar Padmanabhan will be solely responsible for all personal and other taxes relevant including the preparation and filing of such tax returns with appropriate authority.

d) Expenses: The Company shall reimburse all reasonable travelling and other similar out of pocket expenses necessarily and reasonably incurred by him wholly in proper performance of his duties and responsibilities.

e) Other terms and conditions including notice period and severance fees: As per the employment agreement between Subex Limited and Mr. Vinod Kumar Padmanabhan.

The Board at its meeting held on March 01, 2021, subject to the approval of the members at the 27th AGM approved the re-appointment of Mr. Vinod Kumar Padmanabhan as the Managing Director & CEO of the Company for a period of 3 years with effect from April 01, 2021.

The brief terms of appointment were:

a) Fixed Pay: ₹ 240 lakhs per annum (comprising primarily of basic pay, house rent allowance, conveyance allowance, medical allowance, leave travel allowance, special allowance, company's contribution to provident fund, gratuity and others) to be paid periodically in accordance with the Company's normal payroll practices and subject to deduction of tax.

b) Variable Pay: ₹160 lakhs per annum payable on performance basis and parameters as decided by the Nomination & Remuneration Committee and the Board from time to time.

c) Stock Options (existing) 25,00,000 allocated during his previous tenure and entire value of perquisites arising out of exercise of stock options granted.

d) Any future Stock Options granted by the Nomination & Remuneration Committee from time to time and entire value of perquisites arising out of exercise of stock options granted.

e) Taxes: Mr. Vinod Kumar Padmanabhan will be solely responsible for all personal and other taxes relevant including the preparation and filing of such tax returns with appropriate authority.

f) All other terms and conditions including notice period and severance fees will be as per the employment agreement between the Company and Mr. Vinod Kumar Padmanabhan.

Mr. Shiva Shankar Naga Roddam, Whole-Time Executive Director & Chief Operating Officer

a) Tenure: 3 Years commencing from February 07, 2020 to February 06, 2023 (subject to the approval of the members at the ensuing Annual General Meeting.)

b) #Remuneration: NIL.

c) Taxes: Mr. Shiva Shankar Naga Roddam will be solely responsible for all personal and other taxes relevant including the preparation and filing of such tax returns with appropriate authority.

d) Expenses: The Company shall reimburse all reasonable travelling and other similar out of pocket expenses necessarily and reasonably incurred by him wholly in proper performance of his duties and responsibilities.

e) All other terms and conditions including notice period and severance fees will be as per the employment agreement of Mr. Shiva Shankar Naga Roddam.

Mr. Shiva Shankar Naga Roddam is paid remuneration from the subsidiary company of Subex Limited i.e Subex Assurance LLP as per his employment agreement with the LLP

The Board at its meeting held on February 01, 2021, changed the employment agreement of Mr. Shiva Shankar Naga Roddam from Subex Assurance LLP to Subex Limited and subject to the approval of the members at the 27th AGM revised the remuneration of Mr. Shiva Shankar Naga Roddam with effect from February 01, 2021.

The brief terms of appointment were:

i) Tenure: Term commencing from February 01, 2021, till February 06, 2023.

ii) Fixed Pay: ₹ 1,10,00,000 per annum (comprising primarily of basic pay, house rent allowance, conveyance allowance, medical allowance, leave travel allowance, special allowance, company's contribution to provident fund, gratuity and others) to be paid periodically in accordance with the Company's normal payroll practices and subject to tax withholding.

iii) Variable Pay: Mr. Shiva Shankar Naga Roddam will be eligible for variable pay of ₹ 1,25,00,000 on performance basis as per the employment agreement.

iv) Stock Options (existing) 15,00,000 allocated during his previous tenure as employee of Subex Assurance LLP (wholly owned subsidiary) and entire value of perquisites arising out of exercise of stock options granted.

v) Any Stock Options granted by the Nomination & Remuneration Committee from time to time and entire value of perquisites arising out of exercise of stock options granted.

vi) Taxes: Mr. Shiva Shankar Naga Roddam will be solely responsible for all personal and other taxes relevant including the preparation and filing of such tax returns with appropriate authority.

vii) Expenses: The Company shall reimburse all reasonable travelling and other similar out of pocket expenses necessarily and reasonably incurred by him wholly in proper performance of his duties and responsibilities.

viii) All other terms and conditions including notice period and severance fees will be as per the employment agreement between the Company and Mr. Shiva Shankar Naga Roddam.

In the event of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office the Executive Directors the above said remuneration shall be paid to them as minimum remuneration in terms of Section II of Part II of Schedule V of the Companies Act, 2013.

Details of the remuneration paid to the Directors (Executive/ Non-Executive/Independent Directors) as required under the SEBI (LODR) Regulation, 2015 as well as under the Companies Act, 2013 are provided as part of this report.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is responsible for addressing the investor complaints and grievances. The Committee meets on a periodic basis to address the investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of other documents etc. Details of grievances of the investors are provided in the "Shareholders' Information" section of this Annual Report. The committee has been constituted in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015. The Company Secretary is the compliance officer of the Committee.

A. Composition of the Stakeholders Relationship Committee as on March 31, 2021

The Board at its meeting held on May 11, 2020 re-constituted the committee as mentioned below w.e.f June 18, 2020:

Sl. No	Name of the Director	Category
1	Mr. Anil Singhvi (Chairman)	Non-Executive & Non-Independent Director
2	Ms. Poornima Prabhu	Independent Director
3.	Mr. Vinod Kumar Padmanabhan	Managing Director & CEO

B. Meetings and Attendance of the Committee during the Year 2020-21:

During the financial year 2020-21, the following meetings of the Stakeholders Relationship Committee were held:

Sl. No	Meeting No.	Date of the meeting
1.	No. 1/2020-21	May 11, 2020
2.	No. 2/2020-21	August 10, 2020
3.	No. 3/2020-21	November 09, 2020
4.	No. 4/2020-21	February 01, 2021

Attendance of the Directors at the Stakeholders Relationship Committee Meetings for the Financial Year 2020-21 were as follows:

Name of the Director	No. of Stakeholders Relationship Committee Meetings Held	No. of Stakeholders Relationship Committee Meetings Attended
Mr. Anil Singhvi	4	4
Ms. Poornima Prabhu	4	4
Mr. Vinod Kumar Padmanabhan	4	3

The committee expresses satisfaction with the Company's performance in dealing with investor grievances and its share transfer system. The details of the complaints received and resolved during the fiscal ended March 31, 2021 are as follows:

Name of the Non-Executive Director heading the Committee	Mr. Anil Singhvi, Chairman, Non-Executive & Non-Independent Director (w.e.f June 18, 2020)
Name and designation of the Compliance Officer	Mr. G V Krishnakanth, Company Secretary
Number of shareholders complaints pending at the beginning of the year	0
Number of shareholders complaints received during the year	13
Number of shareholders complaints redressed during the year	10
Number of shareholders complaints not solved to the satisfaction of the shareholders	0
Number of shareholders complaints pending at end of the year	3*

*Pending complaints were addressed post the end of the financial year.

VII. ESOP COMMITTEE (Compensation Committee)

During the financial year 2018-19, the ESOP Committee (Compensation Committee) of the Board was dissolved and all powers of the Committee were vested in the Nomination & Remuneration Committee of the Board of Directors.

The Company has instituted Employee Stock Option Schemes in line with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Committee grants and administers options under the stock options schemes to eligible employees. Details of the Employee Stock Options are available as 'Annexure A' to the Board's Report.

VIII. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

To enable the Company to take required measures to make a meaningful contribution to society and other stakeholders, it has constituted the Corporate Social Responsibility Committee ("CSR Committee"). The CSR Committee has, inter alia, the following mandate:

i. formulate and recommend to the Board of Directors of the Company, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of The Companies Act, 2013;

ii. recommend the amount of expenditure to be incurred on the activities referred to in clause (i); and

iii. monitor the Corporate Social Responsibility Policy of the Company from time to time.

A. Composition of the CSR Committee as on March 31, 2021

Sl. No	Name of the Director	Category
1.	Mr. Anil Singhvi (Chairman)	Non-Executive & Non-Independent
2.	Ms. Nisha Dutt	Independent Director
3.	Mr. Vinod Kumar Padmanabhan	Managing Director & CEO
4.	Mr. Shiva Shankar Naga Roddam	Whole Time Director & COO

B. Meetings and Attendance of the Committee during the Year 2020-21:

There were no meetings of the Committee held during the financial year under consideration.

Pursuant to the provisions of Section 198 of the Companies Act, 2013, the Company has incurred losses during the preceding three financial years and hence no amounts were required to be allocated / contributed for undertaking CSR activities.

Though it is not mandatory to incur any expenditure on CSR activities, the Subex Charitable Trust (SCT) was voluntarily set up to undertake welfare activities for the under privileged and the needy in the society. SCT is managed by trustees elected amongst the employees of the Company. 'The details of the activities conducted during the year ,have been provided in Page 31 of the Annual Report.

The CSR Charter and the Policy of the Company are available on the website of the Company at https://www.subex.com/ investors/shareholder-services/.

IX. RISK MANAGEMENT COMMITTEE

To ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities, it has constituted a Risk Management Committee to review the internal financial controls amongst other matters. The said Committee has also within its scope, the evaluation of significant risk exposures of the Company and to assess Management's actions to mitigate the exposures in a timely manner. The Company considers activities at all levels of the organization, i.e. Enterprise level, Division level, Business Unit level and Subsidiary level in the risk management framework. All these components are interrelated and drive the Enterprise Wide Risk Management with focus on three key elements i.e. Risk Assessment, Risk Management and Risk Monitoring. As on March 31, 2021, the Company has constituted a Risk Management Committee, though it is not a mandatory requirement under the SEBI (LODR) Regulations, 2015.

A. Composition of the Risk Management Committee as on March 31, 2021

Sl. No	Name of the Director	Category
1.	Mr. Anil Singhvi (Chairman)	Non-Executive & Non-Independent Director
2.	Ms. Nisha Dutt	Independent Director
3.	Mr. Vinod Kumar Padmanabhan	Managing Director & CEO

B. Meetings and Attendance of the Committee during the Year 2020-21:

The committee met once during the financial year 2020-21 at its meeting held on February 01, 2021 to identify the risks which could be foreseen and mitigate the same.

Name of the Director	No. of Risk Management Committee Meetings Held	No. of Risk Management Committee Meetings attended
Mr. Anil Singhvi	1	1
Ms. Nisha Dutt	1	1
Mr. Vinod Kumar Padmanabhan	1	1

X. INDEPENDENT DIRECTOR

During the year under review, the Independent Directors met once on February 01, 2021, inter alia, to:

- Review the performance of the Non-Independent Directors and the Board of Directors as a whole;
- Assess the quality, quantity and timeliness of flow of information between the Management of the listed entity and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

XI. GENERAL BODY MEETINGS

A. Location and Time of the Last Three AGMs

Year	Date of AGM	Venue	Time
2017-18	July 31, 2018	"The Grand Ball Room", Hotel Lalit Ashok, Kumara Krupa High Grounds, Bengaluru-560 001	2:00 P.M.
2018-19	July 04, 2019	"The Grand Ball Room", Hotel Lalit Ashok, Kumara Krupa High Grounds, Bengaluru-560 001	2:00 P.M.
2019-20	September 25, 2020	Video Conference/Other Audio Visual Means	3:00 P.M.

Details of the Special Resolutions passed at the Last Three AGMs:

Date of Annual General Meeting	No. of special resolutions passed	Details of Resolutions pertaining to
July 31, 2018	4	1. Approval of the Employee Stock Option Scheme 2018 of the Company and Grant of Employee Stock Options to the employees of the Company thereunder. 2. Approval of the Employee Stock Option Scheme 2018 and grant of Employee Stock Options to the employees of the Company's subsidiaries under the Scheme. 3. Authorization to the 'Subex Employee Welfare and ESOP Benefit Trust' for Secondary Acquisition. 4. Provision of interest free loan by the Company for purchase of its own shares by the Trust /Trustees for the benefit of Employees and Employees of Subsidiaries under the Subex Stock Option Scheme 2018.
July 04, 2019	1	Provision of interest free loan by the Company for purchase of its own shares by the Trust/Trustees for the benefit of Employees under the Subex Stock Option Scheme 2018.
September 25, 2020	2	1. Appointment of Ms. Nisha Dutt as an Independent Director of the Company. 2. Appointment of Mr. Shiva Shankar Naga Roddam as a Whole-Time Director of the Company.

B. Location and Time of the Last Three EGMs

During the last three years, there were no Extra – Ordinary General Meetings held. However, the details of the latest Extra- Ordinary General Meetings (EGM's) held have been stated.

Year	Date of EGM	Venue	Time
2011-12	December 28, 2011	Registered office of the Company	11:30 A.M.
2012-13	June 28, 2012	Registered office of the Company	11:30 A.M.
2012-13	August 17, 2012	Registered office of the Company	11:30 A.M.

C. Postal Ballot during year 2020-21

The Company had sought approval of shareholders through Postal Ballot pursuant to Section 110 of the Companies Act, 2013, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 during the financial year 2019-20 for the following businesses:

Resolution No. 1: Reduction of Share Capital of the Company – Special Resolution

The Notice of Postal Ballot was approved by the Board of Directors on May 22, 2020.

The Company has appointed Mr. Pramod S.M. (Membership No. 7834 and Certificate of Practice No. 13784), Partner, BMP & Co., LLP, Practicing Company Secretaries as the Scrutinizer and Mr. Biswajit Ghosh, (FCS Membership No. 8750 and Certificate of Practice No. 8239), Partner, BMP & Co., LLP, Practicing Company Secretaries, as an alternate scrutinizer to Mr. Pramod S.M., for conducting the meeting only through the electronic voting process, in a fair and transparent manner.

The Company proposed to have the special resolution passed through Postal Ballot for the purpose of Reduction of Share Capital of the Company through e-voting procedure, which commenced on May 27, 2020 and concluded on June 25, 2020, in accordance with the MCA General Circular No. 14/2020 dated April 08, 2020 and Circular No. 17/2020 dated April 13, 2020 ("MCA Circulars"), in view of the current extraordinary circumstances due to the COVID-19 pandemic requiring social distancing.

In compliance with the requirements of the MCA Circulars, hard copies of the Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope were not sent to the members for this Postal Ballot and members were required to communicate their assent or dissent through the remote e-voting system only. Please refer notice of the postal ballot under https://www.subex.com/ investors/capital-reduction/ for the Postal ballot notice and the procedure for e-voting.

The results of the Postal Ballot, including the E-voting are as follows:

Resolution No.	Particulars	Total Number of shares voted	Voted in favour	Voted against	Percentage (in favour)	Result
1.	Reduction of Share Capital of the Company	150827099	150163793	663306	99.56%	Approved

All the Resolutions were approved with requisite majority, the results were displayed on the website of the Company and necessary disclosures were made to the Stock Exchanges.

XII. MEANS OF COMMUNICATION

A. Annual/Half Yearly and Quarterly Results

The annual audited /half yearly & quarterly un-audited results are generally published in all editions of Financial Express/ Business Standard (English) and Vishwavani (Kannada). The complete financial statements are posted on the Company's website https://www.subex.com/ (click on investors/ announcement- filing/statutory-advertisement). Subex also regularly provides information to the Stock Exchanges as per the requirements of the SEBI (LODR) Regulations, 2015 and updates the website periodically to include information on new developments, press release and business opportunities and the same is displayed on the website of the Company under https://www.subex.com/newsroom/.

Being a Company with strong focus on green initiatives, Subex proposes to send all the shareholder communications such as the notice of General Meetings, Audited Financial Statements, Board's Report, Auditor's Report, etc., as done in the past, to its shareholders in electronic form by sending the said reports to the email addresses provided by them and made available to us by the Depositories. The Company during the said financial year 2020-21, had scheduled the Investor calls to discuss on the Earnings of the Company for relevant quarters which were scheduled on May 12, 2020, August 11, 2020, November 10, 2020 and February 02, 2021 respectively. The Company did not have any Institutional investors during the financial year and hence there were no presentations made to the institutional investors. The transcripts pertaining to the Earning's call held during the year are uploaded on the Company's website under the link https://www.subex.com/ (click on investors/announcement-filing/investoranalyst-call).In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide General circular No 02/2021 dated January 13, 2021 read with General circular No. 39/2020 dated December 31, 2020, No. 33/2020 dated September 28, 2020, No. 22/2020 dated June 15, 2020, No. 20/2020 dated May 05, 2020, No. 17/2020 dated April 13, 2020 and No. 14/2020 dated April 08, 2020 (the 'MCA Circulars'), provided certain relaxations for companies, including conducting of the Annual General Meeting (AGM) through Video Conferencing (VC) or through Other Audio-Visual Means (OAVM) ('VC/OAVM'), if AGMs of such companies are conducted during the calendar year 2021. The said MCA Circulars have also dispensed with the printing and dispatch of annual reports to shareholders. In line with the above MCA Circulars, SEBI vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 dispensed with the requirement of Regulation 36 (1)(b) and (c) of the SEBI (LODR) Regulations, 2015, for listed entities, who conduct their AGMs during the calendar year 2020, which otherwise prescribes that a listed entity shall send a hard copy of the statement containing salient features of all the documents, as prescribed in Section 136 of the Companies Act, 2013 to the shareholders who have not registered their email addresses and hard copies of full annual reports to those shareholders, who request for the same, respectively.

Accordingly, this year, in view of spread of the COVID-19 pandemic and also to support the "Green Initiative in Corporate Governance", an initiative taken by the MCA, the Company has decided to send soft copies of Annual Report 2020-21 (including AGM Notice) to those shareholders whose email addresses are registered with the Depository Participants and / or with the Company's Registrars & Transfer Agents.

In terms of above MCA Circulars and in view of the current extraordinary circumstances due to the COVID-19 pandemic requiring social distancing, the Company is taking measures to allow Members to vote through the mechanism of e-voting or other electronic modes in accordance with the provisions of the Companies Act, 2013 and rules made thereunder, without holding a AGM that requires physical presence of Members at a common venue.

With respect to detailed procedure for Remote e-voting or voting through electronic mode and attending the AGM through VC/OAVM, please refer the Notes and instructions annexed to Notice of 27th AGM.

XIII.DISCLOSURES

A. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under The Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms' length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by Ind AS has been made in note 30 to the Standalone and Note 31 to the Consolidated Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website under the link at https://www.subex.com/investors/shareholder-services/.

None of the Independent Directors have any material pecuniary relationship or transactions with its Promoters, its Directors, its Senior Management or its subsidiaries which may affect their independence. The Company has received the relevant declarations in this regard from its Independent Directors of the Company.

B. INSIDER TRADING

The company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated persons of the Company. The code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Compliance Officer is responsible for implementation of the Code.

C. FINES

During the year 2020-21, the National Stock Exchange of India Limited ["NSE"] had sent letters to the Company for non-compliance with respect to Regulation 17 (1) (c) of the SEBI (LODR) Regulations for the delay in appointment of the 6th Director. The Company has submitted its responses against the Letters received by NSE enumerating the reasons for delay in compliance with respect to Regulation 17 (1) (c) of the SEBI LODR Regulations and sought additional time for complying with the requirement. Further, the NSE imposed a total amount as fine of ₹ 6,45,000 (₹ 4,60,000 & ₹ 1,85,000 respectively) for the delay in appointing the 6th Director on the Board. The Company submitted its response to NSE stating the reasons for non-compliance and urged NSE to waive the fine imposed and sought further time till March 31, 2020, to enable it to comply with the Regulation 17 (1) (c) of the SEBI (LODR) Regulations, 2015. The NSE vide its letter dated June 23, 2020 intimated the Company that its request for waiver of fine was not considered favorably and the Company remitted the fine to NSE on July 08, 2020.

D. VIGIL MECHANISM AND WHISTLE BLOWER MECHANISM

With the rapid expansion of business in terms of volume, value and geography, various risks associated with the business have also increased considerably. One such risk identified is the risk of fraud & misconduct. The Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 require all the listed companies to institutionalize the vigil mechanism and whistle blower policy. The Company since its inception believes in honest and ethical conduct from all the employees and others who are associated directly and indirectly with the Company. The Audit Committee is also committed to ensure a fraud-free work environment. The policy provides a platform to all the employees, vendors and customers to report any suspected or confirmed incident of fraud/misconduct.

Adequate safeguards have been provided in the policy to prevent victimization of anyone who is using this platform and direct access to the Chairperson of the Audit Committee at whistleblower@subex.com is also available in exceptional cases and no personnel has been denied access to the audit committee during the said financial year. This policy is applicable to all the directors, employees, vendors and customers of the Company. The policy is also available on the website of the Company at https://www.subex.com/investors/shareholder-services/.

E. POLICY ON 'MATERIAL' SUBSIDIARY COMPANIES

A policy on materiality of subsidiaries has been formulated and the same has been posted on the website of the Company under the link https://www.subex.com/investors/shareholder-services/.

The Annual Financial Statements of material subsidiaries are tabled before the Audit committee and the Board.

F. DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES/LIQUIDITY

The Company does not deal in commodity and hence disclosure relating to commodity price risks and commodity hedging activities is not applicable. The Company is exposed to foreign exchange risk on account of import and export transactions entered. There is a natural hedge between exports and imports. However, the Company has initiated hedging from May 2020 for FY20-21 and holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The liquidity position of the Company was not impacted during the said financial year

G. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A).

There were no funds raised by the Company through Preferential allotment or qualified institutional placement as specified under the above mentioned regulation during the financial year 2020-21.

H. CEO/CFO CERTIFICATION

The Company has obtained a certificate from the CEO/CFO as required by Regulation 17 (8) (Part B of Schedule II) of the SEBI (LODR) Regulations, 2015 and the same forms a part of this report as Annexure 1.

I. A CERTIFICATE FROM A COMPANY SECRETARY IN PRACTICE THAT NONE OF THE DIRECTORS ON THE BOARD OF THE COMPANY HAVE BEEN DEBARRED OR DISQUALIFIED FROM BEING APPOINTED OR CONTINUING AS DIRECTORS OF COMPANIES BY THE BOARD/MINISTRY OF CORPORATE AFFAIRS OR ANY SUCH STATUTORY AUTHORITY.

A Certificate from the Practicing Company Secretary is received by the Company stating that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the board/ministry of corporate affairs or any such statutory authority and the same is annexed to this report as Annexure 2.

J. DETAILS OF FEES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR AND ALL ENTITIES IN THE NETWORK FIRM/NETWORK ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART.

Fee disclosures as required by Clause 10(k), Part C, Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The total fees for all services paid by Subex Limited and its subsidiaries, on a consolidated basis, to M/s. S.R. Batliboi & Associates LLP, Statutory Auditors and other firms in the network entity of which the statutory auditor is a part, as included in the consolidated financial statements of the Company for the year ended March 31, 2021, is as follows:

(₹ in lakhs)

Fees for audit and related services paid to S.R. Batliboi & Associates LLP	100
Other fees paid to S.R. Batliboi & Associates LLP and Affiliate firms and to entities of the network of which the statutory auditor is a part	NIL
Total fees	100

K. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has an Internal Complaints Committee ("the ICC") which meets regularly to discuss and monitor if there is any sexual harassment in the work place and resolves the issues if any. During the financial year under consideration, the ICC did not receive any complaints.

L. CODE OF CONDUCT

In compliance with Regulation 17(5) of the SEBI (LODR) Regulations, 2015, the Company has adopted a Code of Conduct (the 'Code'). This Code is applicable to the Members of the Board, Senior Management Personnel and all employees of the Company and Subsidiaries. The Code lays down the standard of conduct which is expected to be followed by the Board of Directors and the designated employees in their business dealings particularly on matters relating to integrity in the workplace, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

During the said Financial year there were no changes made to the Code. All the members of the Board and the Senior Management Personnel have affirmed compliance to the Code, as at March 31, 2021. A declaration to this effect, signed by the Managing Director & CEO forms part of this report as Annexure 3. The Code has been posted on the Company's website under the link https://www.subex.com/investors/shareholder-services/ .

M. RECOMMENDATION OF THE COMMITTEES

There were no instances in the financial year 2020-21, where the Board had not accepted any recommendations of any Committees of the Board which is mandatorily required.

XIV. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis is presented in a separate section forming part of the Annual Report.

XV. GENERAL SHAREHOLDER INFORMATION

General shareholder information is provided in the "Shareholders' Information" Section of the Annual Report.

XVI. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS AND PRACTISING COMPANY SECRETARIES CERTIFICATE

The Company has complied with disclosure requirements, wherever applicable, as specified in clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015 and Regulation 17 to 27 of SEBI (LODR) Regulations, 2015, except for the delay in appointing the 6th Director on the Board of the Company pursuant to Regulation 17(1)(c) of the said Regulations. The Company has appointed the 6th Director with effect from February 07, 2020.

The certificate with regard to compliance of conditions on Corporate Governance as per Clause E of Schedule V of the SEBI (LODR) Regulations, 2015 forms part of the Board's Report.

XVII. COMPLIANCE WITH DISCRETIONARY REQUIREMENTS PROVIDED UNDER PART E OF SCHEDULE II OF THE SEBI (LODR) REGULATIONS, 2015

Part E of Schedule II of the SEBI (LODR) Regulations, 2015 states that the discretionary requirements provided therein may be implemented as per the Company's discretion. However, the disclosures of compliance with mandatory requirements and adoption (and compliance)/non-adoption of non-mandatory requirements shall be made in the section on Corporate Governance in the Annual Report. The Company has complied with the following non-mandatory requirements.

A. The Board

The Company appointed Mr. Anil Singhvi, Independent Director (Non-Executive & Non-Independent Director w.e.f. June 18, 2020) as the Non-Executive Chairman of the Company at its meeting held on May 25, 2017. The Company reimburses the expenses incurred by the Chairman for discharge of his duties that are attributable to the Company on a regular basis pursuant to the provisions of Regulation 27(1) of SEBI (LODR) Regulation, 2015.

B. Shareholders' Rights

The Company communicates with investors regularly through emails, telephone calls and face to face meetings. The Company publishes the quarterly/half-yearly/annual financial results in leading business newspaper(s) as well as on the Company's website.

C. Modified opinion(s) in Audit Report

The Company did not receive any Modified Opinion in the Audit Report of the Financial Statements during the financial year.

D. Reporting of Internal Auditor

The Internal Auditor's report to the Audit Committee of the Board of Directors and are requested to be present as invitees at the Audit Committee meetings held every quarter.

For Subex Limited

Anil Singhvi
Chairman, Non-Executive &
Non-Independent Director
DIN: 00239589
Place: Mumbai
Date: May 17, 2021

For Subex Limited

Vinod Kumar Padmanabhan
Managing Director & CEO
DIN: 06563872
Place: Bengaluru
Date: May 17, 2021

ANNEXURE 1

CEO and CFO certification in terms of Regulation 17 (8) of the SEBI (LODR) Regulations, 2015

To,

The Board of Directors

Subex Limited

Dear Sirs,

CEO/CFO Certification in terms of Regulation 17 (8) of the SEBI (LODR) Regulations, 2015

In terms of Regulation 17 (8) of the SEBI (LODR) Regulations, 2015, we hereby certify to the Board of Directors that:

A) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2021 and to the best of our knowledge and belief:

   i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D) We have indicated to the auditors and the Audit Committee

   i) Significant changes in internal control, if any, over financial reporting during the year;

   ii) Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and

   iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting wherever needed.

For Subex Limited

Vinod Kumar Padmanabhan
Managing Director & CEO
DIN: 06563872
Date: May 17, 2021
Place: Bengaluru

For Subex Limited

Venkatraman G S
Chief Financial Officer & Senior Vice President

Date: May 17, 2021
Place: Bengaluru

ANNEXURE 2

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(As per item 10(i) of clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations)

To

The Members,
Subex Limited
CIN L85110KA1994PLC016663
Pritech Park – SEZ, Block-09,
4th Floor, B Wing, Survey No. 51 to 64/4,
Outer Ring Road, Bellandur Village, Varthur Hobli,
Bengaluru, Karnataka-560 103

We have examined the status of debarring or disqualification from being appointed or continuing as directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority for the year ended on March 31, 2021, as stipulated in item 10(i) of clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal https://www.mca.gov.in/ as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl No.	Name of the Director	DIN	Designation
1.	Anil Chandanmal Singhvi	00239589	Chairman, Non-Executive & Non-Independent Director
2.	Poornima Kamalaksh Prabhu	03114937	Independent Director
3.	Nisha Dutt	06465957	Independent Director
4.	Vinod Kumar Padmanabhan	06563872	Managing Director & CEO
5.	George Zacharias	00162570	Independent Director
6.	Shiva Shankar Naga Roddam	07212118	Whole-Time Director & COO

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BMP & Co. LLP Company Secretaries

Pramod S M
Partner
FCS: 7834 / CP No. 13784
UDIN: F007834C000337372

Date: May 17, 2021
Place: Bengaluru

Annexure

List of Documents/records/websites verified for issuance of Certificate as per item 10(i) of clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations.

Sr. No	Documents/records/website	Reference
i.	Minutes of Nomination & remuneration Committee	Circular No. LIST/COMP/14/2018-19 dated June 20, 2018 issued by BSE & NSE/ CML/2018/02 dated June 20, 2018
ii.	Corporate announcements made by Company for appointment of Directors	
iii.	Corporate announcements made by Company for cessation/resignation/vacation of Directors	
iv.	Declaration made by directors in form DIR-8	Section 164(2) of the Companies Act, 2013 read with Rule 14(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014
v.	DIR-9 filed by the Company regarding default under section 164(2)	Section 164(2) of the Companies Act, 2013 read with Rule 14(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014
vi.	List of disqualified directors placed on website of Ministry of Corporate Affairs at http://mca.gov.in/MinistryV2/disqualifieddirectorslist.html	Section 164(2)
vii.	Directors debarred/disqualified through SEBI order as per list placed at the BSE Limited and the NSE Limited at https://www.bseindia.com/investors/debent.aspx https://www1.nseindia.com/invest/content/regulatory_actions.htm	Section 11B of the SEBI Act, 1992

ANNEXURE 3

DECLARATION BY THE CEO UNDER CLAUSE D OF SCHEDULE V OF THE SEBI (LODR) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

To,

The Members of Subex Limited

In accordance with Clause D of Schedule V of the SEBI (LODR) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel including me, have affirmed compliance to their respective Codes of Conduct, as applicable for the Financial Year ended March 31, 2021.

For Subex Limited

Vinod Kumar Padmanabhan
Managing Director & CEO
DIN: 06563872

Place: Bengaluru
Date: May 17, 2021

BUSINESS RESPONSIBILITY REPORT

Introduction

This report is in accordance with the requirements of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), which includes our responses to questions on practices covering the initiatives taken by the Company from an Environmental, Social and Governance perspective.

Subex is a pioneer in enabling Digital Trust for businesses across the globe.

We build industry leading software products and solutions to help businesses infuse trust in their digital ecosystems. With Digital Trust at the core, Subex is now helping Communications Services Providers ("CSP") in their transformation journey to become truly digital enterprises. Our strength lies in understanding the dynamic needs of the telco market and leveraging emerging technologies like AI, ML, Blockchain, and Augmented Analytics to build scalable solutions to help telcos thrive in a competitive environment. Towards this, we have created state-of-the-art solutions covering the areas of privacy, security, identity, intelligence, and risk mitigation, all helping CSPs build a robust ecosystem of trust.

Through HyperSense, an end-to-end augmented analytics platform, Subex empowers communications service providers and enterprise customers to make faster, better decisions by leveraging Artificial Intelligence (AI) analytics across the data value chain. The solution allows users without a knowledge of coding to easily aggregate data from disparate sources, turn data into insights by building, interpreting and tuning AI models, and effortlessly share their findings across the organisation, all on a no-code platform.

Subex has spent over 25 years in enabling 3/4th of the largest 50 Communications Service Providers globally achieve competitive advantage. Being truly a global Company, we have more than 300 installations across 90+ countries.

We have a global presence, employing 1000+ people, with headquarters in Bengaluru, India and offices in Singapore, UK, US, UAE, Canada and Bangladesh.

Section A – General Information about the Company

1.	Corporate Identity Number (CIN)	L85110KA1994PLC016663
2.	Name of the Company	SUBEX LIMITED
3.	Registered address	Pritech Park-SEZ, Block-9, 4th floor, B Wing, Survey No. 51-64/4, Outer Ring Road, Bellandur Village, Varthur Hobli, Bengaluru, Karnataka-560 103, India
4.	Website	https://www.subex.com/
5.	E-mail Id	investorrelations@subex.com
6.	Financial Year reported	April 01, 2020 to March 31, 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	IT Software, Services, and related activities. NIC Codes – 62011, 62013
8.	List three key products / services that the Company manufacture / provides (as in Balance Sheet)	Please refer page 92 of the Annual Report (forming part of the Management Discussion and Analysis)
9.	Total number of locations where business activity is undertaken by the Company i) Number of International Locations (major 5 only) • United Kingdom • United States of America • Singapore • United Arab Emirates • Canada ii) Number of National Locations: 1 (One), the Registered Office of the Company located at Bengaluru, India.	
10.	Markets served by the Company - Local / State / National / International	India, Americas, EMEA, Asia Pacific and rest of the world

Section B – Financial Details of the Company (on a Consolidated basis) (as on 31.03.2021)

1.	Paid up Capital (INR)	As on March 31, 2021, the paid-up capital of the Company stood at ₹ 2,81,00,14,675 consisting of 56,20,02,935 equity shares of ₹ 5 each.
2.	Total turnover (INR in Lakhs)	₹ 37,203
3.	Total Profit/ (loss) after Taxes (INR in Lakhs)	₹ 5,172

4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	NIL (See point no. 5)
5.	List of activities in which expenditure in point no. 4 has been incurred Pursuant to the provisions of Section 198 of the Companies Act, 2013, the Company has incurred losses during the preceding three financial years, hence no amounts were required to be allocated / contributed for undertaking CSR activities. Though it is not mandatory to incur any expenditure on CSR activities, the Subex Charitable Trust ("SCT") is a non-profit Trust that mobilizes employee participation in community projects and was voluntarily set up to undertake welfare activities for the under privileged in the society. SCT is managed by trustees elected from among the employees of the Company. Please refer page 31 of the Annual Report for details of the activities conducted during the year. Further details on the activities undertaken by the SCT are contained under Principles 4 & 8.	

Section C – Other Details

1.	Does the Company have any Subsidiary Company / Companies?
	Yes, the Company has Ten subsidiaries, namely: 1. Subex Assurance LLP 2. Subex Digital LLP 3. Subex Technologies Limited 4. Subex Americas Inc. 5. Subex (UK) Limited 6. Subex Middle East (FZE) 7. Subex Bangladesh Private Limited 8. Subex Inc. 9. Subex (Asia Pacific) Pte Limited 10. Subex Azure Holdings Inc.
2.	Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).
	Yes. As the business responsibility initiatives are run at a group level, all subsidiaries participate in the initiatives, to the extent relevant.
3.	Do any other entity / entities (e.g. suppliers, distributors etc) that the Company does business with participate in the BR initiatives of the Company ? If yes, then indicate the percentage of such entity / entities? (Less than 30%, 30-60%, more than 60%).
	We do not mandate that our suppliers and partners participate in the Company's BR initiatives. However, they are encouraged to do so.

Section D – BR Information

1. Details of Director / Directors responsible for BR

a) Details of the Director / Director responsible for implementation of the BR policy / policies

Sl. No	Name	Designation	DIN
1.	Mr. Vinod Kumar Padmanabhan	Managing Director & CEO	06563872

b) Details of the BR Head

Sl. No.	Particulars	Details
1.	DIN	06563872
2.	Name	Mr. Vinod Kumar Padmanabhan
3.	Designation	Managing Director & CEO
4.	Telephone No.	080-37451377
5.	E-mail ID	investorrelations@subex.com

2. Principle-wise (as per NVGs) BR policy / policies

As per Regulation 34 of the SEBI (LODR) Regulations, read with SEBI Circular No CIR/CFD/CMD/10/2015 dated November 04, 2015, the nine areas of Business Responsibilities are as follows:

Principle 1 (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3 (P3)	Businesses should promote the well-being of all employees.
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5 (P5)	Businesses should respect and promote human rights.
Principle 6 (P6)	Businesses should respect, protect, and make efforts to restore the environment.
Principle 7 (P7)	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8 (P8)	Businesses should support inclusive growth and equitable development.
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sl. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed on line?	The policies are available on the Company's website – https://www.subex.com/investors/shareholder-services/								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Y = Yes

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company.

Within 3 months, 3-6 months, Annually, More than 1 year

3 to 6 months.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, Annual. The report is available as part of the Annual Report at https://www.subex.com/investors/shareholder-services/.

SECTION E – Principle-wise performance

Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

   Subex has zero tolerance towards non-conformity with the Code of Conduct, which is applicable to our employees across all locations. Our Code of Conduct and Whistle Blower policy covers our employees, contractors, suppliers, and other stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so

   No complaints have been received in FY 2020-21 under our Whistleblower policy.

Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

   Subex is a provider of solutions that help build trust in the digital ecosystem to telecom operators around the world. Subex views digital trust as a multi-dimensional matrix that covers privacy, security and risk mitigation.

Following are 3 solutions which Subex delivers to its clients that have a significant impact on social risks:

a. IoT/OT Security:

   Cyber security risks continue to pose a significant challenge to the increasingly connected world we live in. Subex Secure is a scalable and comprehensive threat detection, mitigation, and management solution for assets, data and networks connected to the IoT and OT eco-system. Subex Secure is aimed at securing smart cities, critical infrastructure, manufacturing plants, oil and gas.

b. Fraud Management:

   Digital transformation has resulted in telecom operators spreading their wings far and wide beyond basic connectivity services. Fraudsters exploit these digitally enabled services for theft from citizens and for criminal activity such as terrorism. Subex's Fraud Management solution enables telecom operators to prevent, detect and mitigate the impact of fraud on its customers and thus makes a significant contribution towards making our societies safer.

c. HyperSense Augmented Analytics Platform:

   Transparency and AI Ethics are becoming topics of societal importance. HyperSense Augmented Analytics Platform with its Explainable AI capabilities provides a set of techniques that:

   Produce more explainable models, while maintaining a high level of performance accuracy; and also enables users to understand, appropriately trust, and effectively manage the output of AI models in business.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product

   Subex is committed to and targets towards following the best practices to reduce utilization of power, natural resources like water and limited E-Waste disposal, executed through government recognized agencies. However, given the nature of our business, it is difficult to quantify.

3. Does the Company have procedure in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so

   We have a Responsible Purchase Procedure and a Supplier Code of Conduct. Our suppliers are categorized into three broad categories - People, Services and Products. Our contracts have appropriate clauses and checks to prevent the employment of child labor or forced labor in any form. We engage with local suppliers for our People and Services categories.

   Our suppliers sign the code of conduct, agreeing towards reduction of environmental footprint. Suppliers delivering products to Subex abide by the guidelines laid down by the government.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   Yes, while the criteria for selection of goods and services is quality, reliability, and price, we give preference to small organizations / MSME vendors. Procurement of materials from local sources is a strategy adopted by us since it reduces time, cost, and efforts in procurement, provides local employment opportunities and a reduced environmental footprint in sourcing.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste. Also provide details thereof, in about 50 words or so

   Yes, all types of waste which are generated in-house are handed over to the authorized vendor for recycling. Subex is based in a technology park and the all environment related reports are submitted to the prescribed authority by the Owner of the park. Subex co-operates with the owner and the vendors towards ensuring the timely recycling of waste.

Being environmentally cautious and waste sensitive, over 93% of the waste is managed, with less than 7% going into landfills.

Principle 3: Businesses should promote the wellbeing of all employees

Creating a positive, relevant, and meaningful experience for its employees ("Subexians"), is one of the key focus areas for Subex. With this in mind, their well-being becomes a very critical component that Human Resources works on. We conduct regular medical check-ups, mental and physical health-workshops like yoga sessions, for all employees including our support staff. Other benefits such as group medical insurance for Subexians and their families and personnel accident policy for Subexians are provided to all. We also have an active POSH (Prevention of Sexual Harassment) Committee that functions with zero-tolerance towards any kind of harassment.

1. Please indicate the total number of permanent employees - 1023
2. Please indicate the total number of employees hired on temporary / contractual / casual basis - 79
3. Please indicate the Number of permanent women employees - 267
4. Please indicate the Number of permanent employees with disabilities – Nil
5. Do you have an employee association that is recognised by management – No
6. What percentage of your permanent employees are members of this recognised employee association? – Not applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year – None.
8. What percentage of your under mentioned employees were given safety & skill up-gradation training, in the last year?

   Safety training is provided to 100% of the employees.

Details of the skill up-gradation training:

A. Permanent Employees – 66.18%

B. Permanent Women Employees – 68.19%

C. Casual / Temporary / Contractual Employees – 51.90%

D. Employees with disabilities – Not Applicable

* Mandatory trainings are undertaken by all employees.

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders?

   Yes, the Company has identified and mapped its internal and external stakeholders. Internal Stakeholders of the Company include its employees, support staff, senior leaders, and Board of Directors. The external stakeholders include customers, vendors, investors, regulatory bodies, and media. The external stakeholders also include the communities the Company engages with, during its social responsibilities.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

   Yes.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

   Yes, please refer page 31 of the Annual Report for details of the activities conducted by SCT during the year.

Principle 5 – Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures/ Suppliers / Contractors / NGOs / Others?

   Subex has policies in place which covers its employees against inhuman practices. Few policies which are in place include Prevention of Sexual Harassment at Workplace, Grievance policy, Equal Employment etc. These policies are applicable to our employees across all locations and all our affiliates.

   The Company encourages its suppliers, contractors and others to follow the principles laid down in the Supplier Code of Conduct. All employees, suppliers and contractors are required to respect the human rights of fellow workers and communities where we operate. The Company encourages its vendors to comply with the relevant laws safeguarding labour rights and human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent were satisfactorily resolved by the Management?

   Please refer point no. 2 under Principle 1 and page 210 of the Annual Report (forming part of the Shareholders' Information section, for details pertaining to investor complains received during the year).

Principle 6 – Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

   The Company has a dedicated Policy/Standard Operating Procedure (SOP) for its environmental requirements. The Company encourages all its external stakeholders to strictly adhere to safety and restoration of the environment. Subex is based in a technology park and co-operates with the owner and vendors in following the required procedures for protection and restoration of the environment.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc.

   Yes, the Company has taken initiatives to control environmental impact or influence considering a life cycle perspective. During the year, the Company has changed the address of its Registered Office within local limits and owing to this move, the energy consumption has reduced due to a significant reduction in electricity bills. Additionally, the Company also adapts itself to the changes in environmental laws and has adapted measures such as minimizing the usage of single use plastics within the office premises.

3. Does the Company identify and assess potential environmental risks?

   Yes.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

   No.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc.

   Yes, the Company has increased its energy efficiency by reduction in its electricity consumption.

6. Are the Emission / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

   Yes.

7. Number of show cause / legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year

   No.

Principle 7 – Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with.

   Yes, the Company is a member of FKCCI (Federation of Karnataka Chambers of Commerce and Industry), Confederation of Indian Industry (CII), Karnataka and DSCI (Data Security Council of India).

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No. If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, inclusive Development Policies, Energy security, Water, Food Security, sustainable Business Principles, others)

   Yes, others. We co-operate with governments and industry bodies by providing them threat reports, malware reports and related information on demand, regarding the prevailing threat environment.

Principle 8 – Business should support inclusive growth and equitable development

1. Does the Company have specified programmes / initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof

   Yes, please refer page 31 of the Annual Report for details of the activities conducted by SCT during the year.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / Government structures / any other organization?

   In-house team. The Subex Charitable Trust is a non-profit Trust that mobilizes employee participation in community projects and was voluntarily set up to undertake welfare activities for the under privileged in the society. SCT is managed by trustees elected from among the employees of the Company.

3. Have you done any impact assessment of your initiative?

   The project activities are periodically reviewed by the Board of Directors. Reports and feedback are sought to understand the impact of the initiatives.

4. What is your Company's direct contribution to community development projects. Amount in INR and the details the projects undertaken

   The Company has incurred losses during the preceding 3 financial years. Hence it is not mandatory to incur any expenditure on CSR activities. For details of the voluntary activities undertaken by the SCT, please refer page 31 of the Annual Report for details of the activities conducted during the year.

5. Have you taken steps to ensure that this Community development initiative is successfully adopted by the Community? Please explain in 50 words or so

   The objective of the social initiatives undertaken by the Company through SCT is to create a positive and sustainable impact in the community that we belong to. The SCT has received positive feedback from the institutions that it supports and looks to continue to provide greater support towards community development.

Principle 9 – Business should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year?

   None.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

   Not applicable to the Company, since it is Technology based.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so

   None, there have been no cases filed against Subex with regards to unfair trade practices, irresponsible advertising, and / or anti-competitive behavior during the last five years.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

   Yes, Subex conducted an NPS survey for FY21 as it conducts the same annually. The NPS (Net Promoters Score) is a measure of the customer satisfaction that gives the customers & Subex a platform to understand the customer experience & overall satisfaction to enable quality delivery and customer engagement.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Subex Limited ("Subex" or "the Company") has its Equity Shares listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE").

The management of Subex is committed to transparency and disclosure. In keeping with that commitment, we are pleased to disclose hereunder information about the Company, its business, operations, outlook, risks and financial condition.

The financial statements of the Company have been prepared in compliance with the requirements of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (including amendments thereto). The management of Subex accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect the form and substance of transactions in a true and fair manner, and reasonably present the state of affairs and profits for the year under review.

In addition to the historical information contained herein, the following discussion may include forward looking statements which involve risks and uncertainties, including but not limited to the risks inherent in the Company's growth strategy, dependency on certain clients, dependency on availability of qualified technical personnel and other factors discussed in this report.

COMPANY OVERVIEW

We build industry leading software products and solutions to help businesses infuse trust in their digital ecosystems. With Digital Trust at the core, Subex is now helping Communication Service Providers ("CSP") in their transformation journey to become truly digital enterprises. Our strength lies in understanding the dynamic needs of the telco market and leveraging emerging technologies like AI, ML, Blockchain, and Augmented Analytics to build scalable solutions to help telcos thrive in a competitive environment. Towards this, we have created state-of-the-art solutions covering the areas of privacy, security, identity, intelligence, and risk mitigation, all helping CSPs build a robust ecosystem of trust. Our revenue contributing pie consists of licensing, professional services related to installations and configuration activity, annual support contracts and managed services.

Through HyperSense, an end-to-end augmented analytics platform, Subex empowers communications service providers and enterprise customers to make faster, better decisions by leveraging Artificial Intelligence (AI) analytics across the data value chain. The solution allows users without a knowledge of coding to easily aggregate data from disparate sources, turn data into insights by building, interpreting and tuning AI models, and effortlessly share their findings across the organisation, all on a no-code platform.

Subex has spent over 25 years in enabling 3/4th of the largest 50 Communications Service Providers globally achieve competitive advantage. Being truly a global company, we have more than 300 installations across 90+ countries.

We have a global presence, employing 1000+ people, with headquarters in Bengaluru, India and offices in Singapore, UK, US, UAE and Bangladesh.

More information on (a) an overview of the telecom industry (b) our products (c) Opportunities and challenges and (d) our revenue model is discussed below.

TELECOMS IN THE GLOBAL MACRO CONTEXT

The year 2020 was one marred by the global pandemic which led to losses, both economic and in the terms of lives. The uncertainty caused by COVID-19 was felt by the telecom sector as well, however the effects were not as severe as seen across the broader economy. As per the latest GSMA Mobile Trends, among the five most affected countries (in terms of deaths), the hit on mobile revenue has been about half that on GDP in high-income countries.

- The pandemic also led to the change as to how consumers now use communication technologies.
- With work-from-home and social distancing norms gaining prevalence, there has been a marked rise in data traffic, mostly from fibre, but also mobile networks.
- Network performance has risen to be a key priority for telco operators, towards ensuring connectivity to not only consumers, but also to aid hospitals and medical professionals.

This increased demand for data and connectivity services, coupled with the increasing adoption of digital services and mobile money has enabled telcos to remain resilient, where revenues are concerned.

- This has only been supplemented with the strong mobile traffic growth.
- People are now doing much more online, and this bodes well for telecom operators provided they are able to meet the demand.

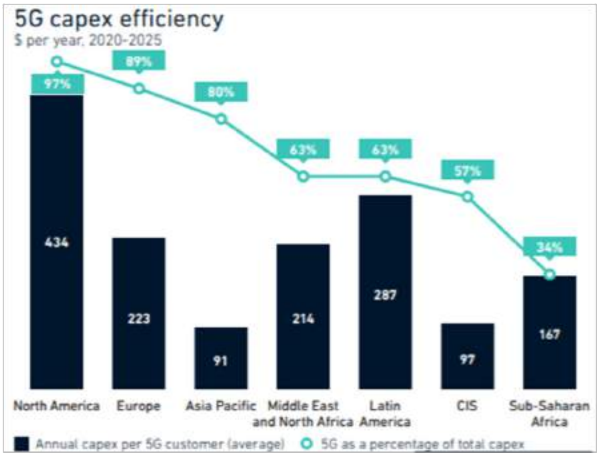
Mobile Internet: Getting to 100% Global Coverage

- Almost 50% of the world's population were on the mobile internet in 2019, equating to 3.8 billion users – an increase of 250 million since the end of 2018.
- With 4G and 3G covering the globe, the question is towards moving the remaining 50% to the mobile internet.
- Today there are almost six times more people living within the footprint of a mobile broadband network but not using mobile internet.
- There remains a significant rural and gender deficit in mobile internet use.

5G sees steady growth

Despite the global pandemic, new 5G deployments continue to take shape.

- Post March 2020, the number of new 5G networks has grown at a steady rate at 8 new 5G networks per month. This is up from fewer than six per month for the same period in 2019.
- There are now 113 operators with 5G networks across 48 countries, accounting for 40% of the global mobile subscriber base.
- The launches so far have been within the more mature markets: China, South Korea and the US. However, developing markets such as South Africa (MTN and Vodacom) and Brazil (Claro) have begun to make in-roads as well.
- As 5G moves towards becoming mainstream, new networks and declining handset prices will drive adoption over the next year and beyond.
- From an investment perspective, forecasts estimate 80% of capex ($890 billion) to be spend towards 5G over the next five years, reaching 45% population coverage. This is largely being driven by the North American markets.



Revenue Generation and Cost Management Even More Important

With 5G on the horizon, and even in the case of other operators, there will be a need for judicious network investment planning. Objectives which operators will need to bear in mind will be to keep a check of Capex and Opex costs, improve customer experience and generate new revenues.

- Across most regions, revenue generation has become the key driver, especially with the need for renewed growth to pay back 5G investments.
- As a means to lower costs, operators will lay focus on Open network technologies – including open RAN; to lower operations and lower acquisition costs.
- Open RAN in particular has opened up the possibilities for operators to source network technologies and services from a broader.
- Set of suppliers, thereby helping to reduce costs.
- Open RAN can be a force in helping operators unlock new business opportunities by enabling new ways of building networks.

IoT: a forgotten aspect of 2020

Total IoT connections will double between 2019 and 2025, reaching 24 billion. However, GSMA has cut 2020 off from the forecast as a result of the pandemic and cost pressures in the SME and corporate markets.

- While global IoT revenues will triple by 2025, this is 20% lower.
- IoT revenue was to touch the $1.1 trillion mark by 2025, however this has now been reduced to $906bn.
- Security concerns, cost, and integration with existing technologies will persist as the main challenges in deploying IoT based solutions.
- Cost Saving and revenue generation are the two main motivators for installing IoT devices.

Conclusion:

Subex, as a leader in the space of Digital Trust, is uniquely positioned to help telcos to embrace digital transformation. To take advantage of the infinite possibilities that 5G unlocks will require a robust ecosystem of partners, making collaboration the baseline for success. While 5G rollout will create an unfathomable number of use cases allowing services providers to significantly expand the number of services they offer to both businesses and consumers, it also presents new challenges. From sales and marketing to operations, IT, network management, pricing, and billing, there will be enormous changes that service providers must plan for. Subex is well placed to support this transformation and can help service providers plan for the strategic evolution of their value chain. Subex can help catalyze the transformation process of traditional network developers into service enablers for 5G and IoT, and ultimately to service creators, with the ability to collaborate beyond telecoms.

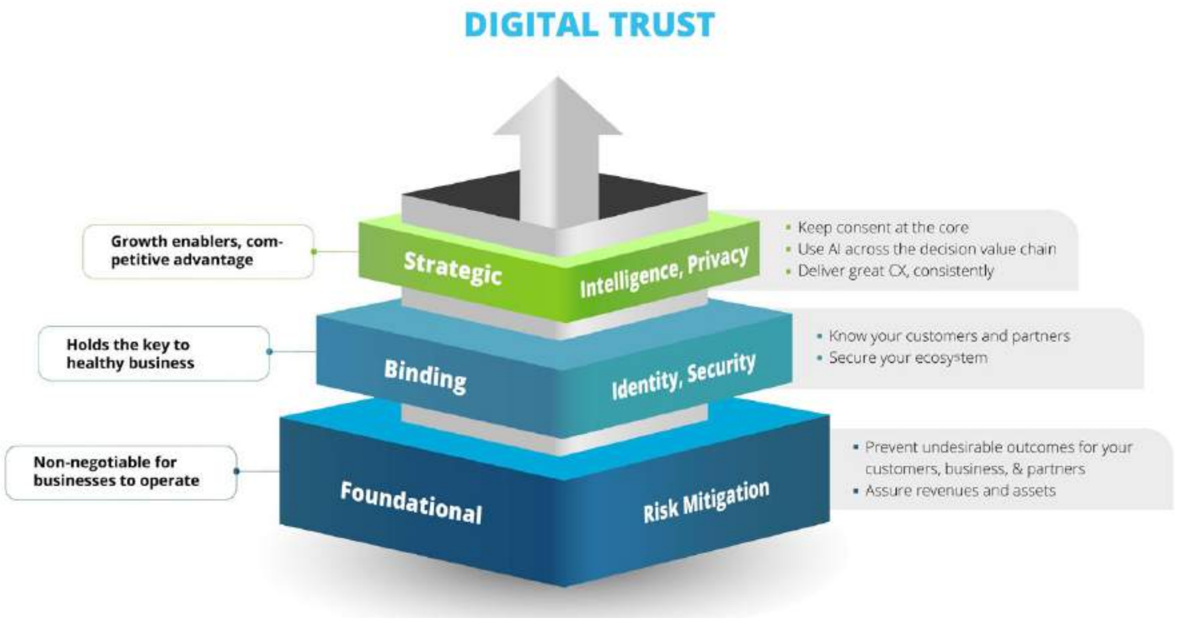
OUR PRODUCTS

Subex offers a Suite of products and solutions that enable Digital Trust for our customers. To this end, Subex's core products around Revenue Assurance and Fraud Management have been enhanced with the power of Artificial Intelligence and Machine Learning. Subex also provides network analytics through its Network Asset Management, Data Integrity Management and Capacity Management solutions.

In a digital world, where multiple partnerships will need to be managed, Subex provides CSPs with a Partner Ecosystem Management solution. To help drive confidence in data, Analytics Center of Trust (ACT) - a solution framework built to help organisations transform from a traditional business to a digital one through the power of data analytics. Subex also provides organisations with confidence in the growing connected world, through its IoT Security solution, Subex secure, which is a multivertical solution focused towards the telecom, government, automotive, and defense segment, to name a few. Subex also helps in transforming the way the business verifies users, through its recently launched product called IDcentral. IDcentral provides a one- stop solution for digital identity, verification and validation services.

All solutions come together to help CSPs prevent fraud losses, collect all revenues, reduce defaulted payments, reduce wasteful expenditure, manage inter-carrier and partner expenses and optimize CAPEX.

PRODUCT PORTFOLIO



Digital transformation has enabled telcos to expand their scope with new and innovative services, while also increasing the size of the ecosystem with new age partners. To realize the full potential, telcos need to create mechanisms that build trust in their offerings, processes and information systems. In other words, Digital Trust is the key to success for telos today. Subex with its 25+ years of experience in helping telcos optimize their business, is now at a forefront of enabling Digital Trust for the telco ecosystem. Focusing on five key tenets of Security, Privacy, Risk Mitigation, Identity and Intelligence, Subex helps businesses thrive by leveraging Digital Trust as a competitive advantage.

Foundation Layer:

The foundation layer is Risk Mitigation and is the non-negotiable layer required to prevent any undesirable outcomes for the business.

Business Assurance

Subex's Business Assurance solution plays a significant role as a business enabler in this evolving digital ecosystem by providing better visibility into risks surrounding operations, revenue and margins. With Active Risk Intelligence, our re- imagined assurance product stack, operators can assess and address impacts in near real-time or, in some cases, proactively. In today's reality of multi-service, multi-disciplinary offerings (e.g. Banking, Retail, Digital Content etc.), the comprehensive AI/ML capabilities in the solution will help our telecom partners identify unknown unknowns, for meaningful course corrections. Furthermore, as operators keep expanding their portfolio to cater to the demands of today's customers, the ARI suite enables AI-driven predictive and prescriptive business insights for CxOs (Opco & group) across verticals (Marketing, finance, sales, network, etc).

With a product history spanning over two decades, Subex's Business Assurance is the culmination of the operational experience of being deployed in over 80+ sites globally.

Fraud Management

Built on 25+ years of domain expertise, Subex's Fraud Management provides 360-degree fraud protection across digital services by leveraging advanced machine-learning and signaling-intelligence. The solution-combines-a-traditional-rules engine with advanced artificial intelligence/ machine learning capabilities to provide increased coverage across all telco services and minimize fraud run-time in the network with real-time blocking capabilities. With Subex's comprehensive fraud management system, operators can detect more than 350 types of fraud in all telecom environments

Partner Ecosystem Management

Subex Partner Lifecycle Management allows CSPs to significantly reduce time to market for new services and enhance existing services by quickly onboarding new partners to the ecosystem. The solution optimizes OPEX through workflow-based onboarding process interfaces with configurable KPIs to allow quick partner onboarding. CSPs can assess partner health by scoring them on different parameters and monitor their performance to ensure a value-driven partner ecosystem. The partner portal empowers partners with complete business visibility through access to dashboards and reports and make informed decisions.

Digital Services Billing

Subex offers a domain agnostic digital services billing solution that can bill and settle any event irrespective of the source and cater to Data, Content, IoT, M2M, and Utility billing requirements. Utilize configurable modeling capabilities that allow the creation of new revenue streams through configurations, thus allowing quicker settlements and bill roll outs.

Wholesale Billing and Routing

Get a holistic view of your entire range of partner relationships, covering services such as voice, SMS, and data- manage roaming, routing, content settlements, as well as MVNO and other B2B relationships with our wholesale billing solution. We drive efficiencies into your businesses via process automation to gain operational insight to support critical decision-making activities and enable you to achieve a competitive advantage. It covers Interconnect Billing & Settlement, Reconciliation and Dispute Management, OBR, Route Optimization, Contract Lifecycle Management, Route Optimization.

Enterprise Billing

Subex offers a next-gen end-to-end enterprise billing system that provides unmatched rating and billing capabilities for CSPs. It's a converged billing platform that covers partner onboarding, subscription management, service agnostic rating, and billing to financial reporting.

Roaming Settlements

Subex Roaming solution offers a 360-degree view of the roaming services and revenue management to improve profitability. It reduces the fraud possibility by removing the likelihood of paying high-cost traffic cost or lose inbound roaming revenue by supporting NRTRDE (Near Real-Time Roaming Data Exchange) and HUR (High Usage Report). Enhance customer experience and reduce churn by offering personalized services using customer information.

Network Analytics

Network Asset Management

Subex's Network Asset Management is a Telecom Asset Lifecycle Management solution that provides framework and controls to help CSPs make the best use of their assets, thereby helpingmanage network Capex efficiently. The solution ties the assets' financial parameters to its current utilization and location, creates a 360-degree view of the asset, generates accurate reports for audits, and calculates the return on assets. Also, it simplifies field audits, provides near real-time capacity views, recommendations to optimize network utilization and optimizes P2R (Plan-to-retire) and cash-to-cash cycle for assets and improves overall operational efficiency.

Data Integrity Management

Subex is the pioneer of data integrity management, with over a decade of experience in data integrity transformations with the world's leading service providers. Data Integrity Management is the industry's first solution for improving the quality of data that drives critical service provider processes, resulting in lower costs and higher service profitability.

Capacity Management

Subex's Capacity Management is an innovative solution that helps CSPs to strategize and plan their network expansion & capacity augment investments keeping Customer Experience & Return on Investments at the center. This helps CSPs improve Customer Experience, increase ROI, optimize Capex, reduce Churn, and increase Net Promoter Scores.

Binding Layer

Binding layer in Digital Trust is the one that is necessary for the sustenance of a healthy business and includes areas like Security and Identity.

Subex Secure (Digital Security)

- Subex Secure is an IoT and OT security solution designed to secure connected and constrained devices and networks. It is an agentless product, enabling networks to introduce multitudinous types of devices securely. Subex Secure offers a way for business to scale IoT deployments without compromising on security or taking on additional risk. It is capable of monitoring billions of devices and their data transmissions. Using a three-tier detection strategy, it identifies threats as they occur on the network. These three strategies are signature-based detection, heuristics and anomaly-based detection. Risks are identified and flagged across these three security layers, thereby allowing seamless movement and allowing the integrity of data.
- Subex Secure's threat database is updated in real-time with signatures gathered from our 60 honeypots located in key cities around the world. Threat intelligence is also gathered from other credible sources.

IDcentral (Digital Identity)

Today, each individual has multiple digital interactions which give rise to something known as a digital footprint. This digital footprint is a combination of various attributes like phone number, email ID, device info, social network data etc. that when put together form the digital identity of that individual. IDcentral specializes in bringing together these different attributes to create verifiable digital identities leveraging alternate sources of data. IDcentral is the next-generation digital identity analytics platform, that helps businesses across various domains to increase their profitability and reduce risk. It is one of the largest repositories of data in the world with access to 200 plus data points of 700 million individuals. IDcentral's wide range of solutions include:

- Onboarding solutions: Enables document-less, presence-less, and secure online customer onboarding for enterprises. This includes solutions like locality verification using telecom CDR data, name/age/gender verification with government and telecom data, low touch verification, and risk prediction of MSISDN and email IDs using telecom and consortium data, AML + PEP + Sanctions lists.
- Credit solutions: Enables credit processing for underserved population and provide early default warning. This includes solutions like income range prediction with telecom data, locality verification with telecom data, alternate data credit scores, and early default vectors using telecom and consortium data.
- Fraud solutions: Enables E-com, M-wallet, Fintechs in preventing various kinds of identity and transactional frauds by using advanced analytics on usage, device, behavioral, Network, and telecom data. This includes addressing linked account abuse/frauds, ATO frauds, CNP frauds, Card present frauds.
- It acts as a one-stop shop for identity analytics solutions by harvesting data from multiple sources and adding layers of intelligence to enable the creation of a real-time frictionless digital identity.

Strategic Layer:

The strategic layer is the one that helps business in creating competitive advantage and brand reputation. Privacy, Real time insights, intelligence form the part of this layer.

HyperSense

HyperSense is a cloud-native and SaaS-based platform that democratizes AI across the entire data value chain providing agility, elasticity, and scalability. It is a cohesive augmented analytics platform that enables business users to easily unify data from disparate sources, automate tedious and complex data science processes, and turn the data into insights through auto visualization. It leverages AI-driven decision analytics and widens access to data, data science, artificial intelligence (AI), and machine learning (ML) by anyone in an organization.

HyperSense has dedicated studios designed for enterprise-scale AI adoption.

Data Management Studio

Gives a bird's eye view of every metric that matters. Collect, structure, and gives a 360-degree view of all the data from multiple sources and business functions in one place. One can manage, view and access complex enterprise data with ease.

Business Modelling Studio

Runs rules in real-time and generate actionable intelligence from data. Create complex business rules and chain them together into workflows to simulate business environments and processes with a no-code AI-enabled rule engine system.

AI Studio

Helps to build, test, deploy, and manage complex AI models in minutes. Gives access an end-to-end data science studio that provides AI automation capabilities across the entire data science cycle and become a citizen data scientist with no-code AI.

Business Intelligence Studio

Helps enterprises make quick and better decisions by visualizing the data. Visualize, analyze, and share complex business data insights. Leverage AI augmentation to auto-visualizes business data and gain actionable insights.

Process Automation Studio

Automates resolution workflows to seamlessly manage complex business case. Creates a visual representation of business cases and investigate the business case over a period to resolve a problem, claim, or request with an AI-enabled resolution workflow.

Analytics Center of Trust (Advanced Analytics)

Subex Analytics Center of Trust (ACT) is an end-to-end advanced analytics framework that helps CSPs truly leverage their data to drive business outcomes. Subex ACT enables CSPs to get the most from their Analytics program from the very start, i.e., strategizing the analytics roadmap, to setting up a trusted business intelligence layer, till the end, i.e., generating analytics driven business outcomes. ACT comprises of three components.

- Strategy: Leveraging over 25 years of expertise in telecom analytics, Subex helps to create the right analytics strategy by establishing CSPs current maturity, define the business vision and identifying the required roadmap.
- Trusted DataLake & BI: Subex's ACT is powered by an intelligent Information Infrastructure, which acts as the brain of the system delivering real-time insights on the shifts in trends across the spectrum. Subex's BI is built around Hadoop and big data capabilities, powered by machine learning (ML) and artificial intelligence (AI).
- Insights: Insights advanced analytics service, powers the ACT infrastructure, delivering next-generation Analytics-as- a-Service to Telcos across the globe. The solution leverages Subex's expertise in BSS/OSS and Telecom Analytics to provide actionable business intelligence to relevant business users at the right time. By combining the best in both machine and human intelligence, the solution transcends traditional approaches, accelerating the digital journey of organisations. Insights provide actionable insights around key focus areas: Product, Customer, Risk and Revenue.

Consulting & Assessment Services

Subex with its more than 25 years of experience in telecom domain, end-to-end encounter in defining strategy to execution and use of relevant tools that are compliant with global forums such as TM Forum and CFCA; is the right partner of choice in consulting and assessment services for global telcos.

Subex offers consulting and assessment services in the following domains:

- Maturity assessment: Benchmarking of their revenue assurance and fraud management processes concerning global standards and provide metrics across people skills, processes, technology usage and measurement strategies.
- Business operations assessments: Gap analysis of existing processes and provide the roadmap to close these gaps using "analyse, evaluate, assess and recommend" framework.
- Risk management: Identify the risks in the revenue chain and plug leakages promptly, through regular end to end assessment of the existing business and revenue streams. Subex's custom framework is based on a thorough understanding of risks, creating a Risk Control Matrix utilising TM Forum standards, and developing comprehensive standard operating procedures.
- Business process re-engineering: Review of the existing business processes and then design and implement the new business process after considering the best industry practices.
- System integration and IT support operations: While migrating from legacy OSS/BSS infrastructure, Subex provides extensive checklists and exhaustive test cases, making sure that migration cost is reduced. Subex can also help in carrying out customised health-check of RA and FM IT operations of telcos.
- Product and service margin assurance: Assessment of the target market and holistic margin and profitability check for the entire service and product catalogue.
- Portfolio optimisation: Optimising offering portfolio by holistic assessment of products and offerings considering subscriber base, price points, usage patterns, revenue share and benefit comparison with other offerings.

Managed Services

Our Managed Services offerings are designed to drive outcome and protect revenues by enhancing customer experience. Pillared on four main aspects, i.e. Cost, Quality, Time-to-market and Capability, the engagement is aimed to provide rapid ROI, increase efficiency, and in-turn deliver maximum value. Driven by robust technology-led capabilities, Subex Managed Services offers a variety of engagement models providing complete flexibility to operators based on their business needs.

Subex Managed Services program is designed to add both strategic and tactical value to service providers' operations and enable better customer experience while also enhancing their operational efficiency, service agility and profitability. With Subex at the helm of its operations, service providers can redirect critical resources at core business functions generating more revenue and saving costs.

Subex understands that no two service provider requirements are alike and hence offers the flexibility to pick and choose services based on:

- Scope of Operations: Ranging from standard operations to large scale transformational programs.
- BSS / OSS Domains: Drawing from Subex's established expertise on various BSS / OSS domains.
- On-Site Support: High caliber, experienced resources to ensure functional continuity and high resource efficiency.

OPPORTUNITIES

With digital transformation all around us, Digital Trust has become a key priority for Telecom Operators. Our portfolio with its focus on AI for Privacy, Security, Identity, Predictability, and Risk Mitigation is well suited to help telecom operators build and deliver Digital Trust.

- In aftermath of COVID-19 we are witnessing a dramatic increase in enterprise digital intensification. As most businesses are driven towards digital transformation, Cyber Crime, Fraud and Business risks have seen a dramatic increase. This is likely to result in stronger demand for risk assurance, security and fraud management solutions.
- We are also seeing a step up in 5G roll outs across the globe and as a consequence we are witnessing a number of new use cases especially in the B2B2x space. This is likely to result in telco revenue shifting from being consumer heavy to B2B2x enterprise heavy. Subex with Partner Ecosystem is well placed to benefit from this shift.
- Telcos are targeting enterprise services with 4G and 5G applications in manufacturing, health care, distance learning and transportation. Increasingly these services will rely on IoT and MEC networks. Subex is well positioned to help carriers in the areas of Capacity Management, Partner Management, Asset Assurance, Business Assurance, Partner Management, IoT Security and AI driven Augmented Analytics.
- We continue to see demand for data bandwidth increase relentlessly. At the same time revenues for telecom operators are likely to stay flat over the next 5 years period. Operators who do efficient network spends which combines capacity with customer experience and ROI will succeed. We see an opportunity to use our deep understanding of network performance KPIs and our capabilities in artificial intelligence in delivering cutting edge Network Capacity Management solutions to telecom operators.

Telcom Operators are transforming to platform players with new lines of businesses focused on entertainment, ecommerce, Industrial Automation, autonomous transportation, smart utility and cities. To succeed telecom operators are turning to increasing use of data for operational and strategic decision making. However, there are challenges. The journey from data to insights has several manual steps which are prone to errors and biases, it has a high dependency on skilled data scientists, data itself continues to reside in silos in the telco world. To address this latent need Subex has launched HyperSense an augmented analytics platform which uses AI to the journey from data preparation to insight generation and insight explanation. Subex's new platform enables citizen data scientists by automating many aspects of data science, machine learning, and AI model development, management and deployment. We see a strong demand for this platform among the Telecom Operators.

THREATS

- COVID-19 crisis continues to create uncertainty over economic recovery. Barring a handful of industries, this statement is probably applicable to all other businesses for the next few months. While the telecom industry is resilient to the COVID-19 crisis, it is not spared of uncertainty. And this uncertainty does impact opex and capex spend priorities.
- Telcom operators today offer a variety of products and services to its customers. Order management, provisioning, fulfillment, billing and customer care are becoming increasingly complex. Thus, demand on decision support solutions like Fraud Management and Revenue Assurance, to handle very complex use cases continue to grow. We at Subex have invested in technology upgrades and have invested in advanced AI labs to address these growing expectations of our customers.
- As Telcos turn into platform players and grow multiple lines of new businesses, there is increased decentralization of purchasing power and decision making among these lines of businesses. We at Subex recognize this challenge and have doubled down on ensuring greater relevance of our portfolio and visibility to our portfolio among these decentralized centers within telcos.
- As cloud computing makes further inroads into telecom service providers, so do a number of new cloud-based SaaS software vendors each offering niche capabilities in the area of decision analytics. We at Subex recognize these as new competitions and are transforming our entire portfolio to cloud native stack. HyperSense Augmented analytics platform is cloud and Kubernetes native platform capable of supporting cloud, hybrid and on-premise deployments balancing the realities of our customers and prospects,
- COVID-19 has resulted in multiple lockdowns and in general difficult in working from office. In response Subex has shifted to flexi working norms whereby Subexians are able to work and deliver from any where in the world. Necessary technology to support work from anywhere has been made available to all Subexians.

Key Announcements in FY20

Telefónica partners with Subex for next-gen fraud prevention

Subex announced a partnership with Telefónica, one of the largest mobile network providers in the world, to provide the latest version of Subex Fraud Management Solution. As part of the engagement, the operator will be deploying Subex's Fraud Management, to all opcos in Telefónica's Hispam unit: Argentina, Chile, Venezuela, Ecuador, Mexico, Peru, Uruguay, and Colombia.

Subex selected by Saudi Telecom Company for its integrated Revenue Assurance and Fraud Management solution

Subex announced that it has been selected by Saudi Telecom Company ("stc") to deploy an integrated Revenue Assurance and Fraud Management (iRAFM) solution. This deal marks another chapter in the long-standing partnership between Subex and stc, through the earlier deployments of Subex's Revenue Assurance and an award-winning Fraud Management engagement, which began in 2003. By virtue of this decision, stc will be aiming to consolidate their technology stack with the latest solution from Subex, including replacement of other legacy systems.

Subex and SkyLab team up to secure the shipping industry

Subex and SkyLab, a leader in 5G Multi-Access Edge Computing (MEC) and Industrial IoT have announced a partnership to offer IoT and OT cybersecurity solutions and services to the maritime sector.

These solutions offered jointly by Subex and SkyLab have been successfully deployed and are already securing ships and maritime infrastructure across oceans. The industry can look up to this partnership to protect their critical assets from cyberattacks and cybercrime.

Subex joins O-RAN Alliance to help accelerate the adoption of open radio access networks

Subex announced that it has become a member of the O-RAN Alliance to support the development and standardisation of Open RAN (radio access networks). With its expertise in advanced network analytics based on machine learning, Subex joins the alliance to help drive innovation in the radio access network domain – ultimately facilitating Open RAN that leverages embedded artificial intelligence (AI) to maximise network performance.

Tech Mahindra and Subex Partner to Drive Scale Adoption of Blockchain-based Solutions for Telecom Operators Globally

Tech Mahindra, a leading provider of digital transformation, consulting, and business re-engineering services and solutions, and Subex, an industry leader in providing services based on Digital Trust, have announced strategic partnership to roll-out blockchain based solutions for telecom operators globally. These solutions will enable fraud mitigation and drive operational efficiencies for Communication Service Providers by reducing compliance complexities and faster time-to-market.

Subex launched Partner Ecosystem Management platform.

Subex announced the launch of its Partner Ecosystem Management platform that will allow CSPs to accelerate their digital services portfolio expansion. The platform will allow CSPs to create a value driven partner ecosystem and significantly improve time to market for new services by identifying and quickly onboarding diverse partners. It will also enable digital trust among CSPs and their partners by creating a transparent partner ecosystem.

REVENUE MODEL

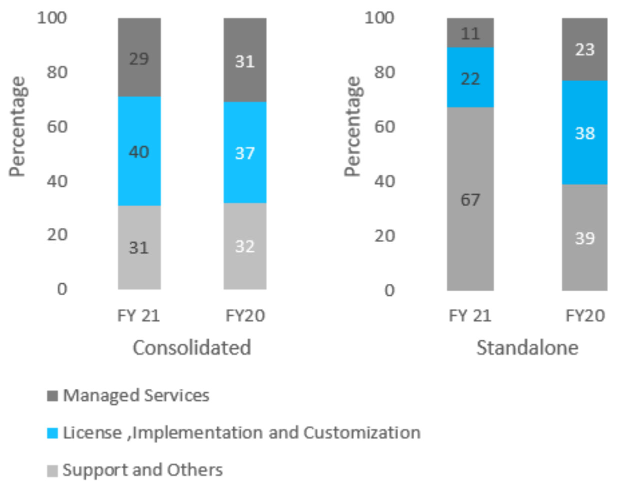
Our revenue generally comes from four streams: (1) licensing; (2) professional services related to installations and configuration activity; (3) annual support contracts; and (4) managed services.

We generally license our software products on per subscriber or per transaction basis. This means that when our customers experience growth, we can also expect to benefit from that growth. Typically, there are significant professional services revenues associated with each new software installation as well as with upgrades.

Our annual support contracts are generally priced as a function of the total license fees paid by the customer. Thus, our annual support contracts would also tend to experience growth when our customers experience growth. Importantly, annual support contract revenue tends to be recurring revenue.

Finally, we have been experiencing increasing success with managed service revenue. Like annual support contracts, managed services provides a relatively predictable recurring revenue stream. At the same time, our managed service offering provides us with an opportunity to maintain a continuous touch point with the customer so we can better understand their needs and we have opportunity to educate them on our offerings and skills.

Revenue Composition



RISKS AND CONCERNS

As our valued investor, we are certain you understand our business environment, prevailing economic conditions, geo-political circumstances, and other specific risks that may affect our future business decisions and financial performance. It is not possible to detail out every risk since we operate in a very competitive and rapidly changing global environment . New risk factors emerge from time to time, the year 2020 was one of our most challenging years in recent times, just as it was for any other business since the global COVID-19 pandemic lead to uncertainty and ambiguity across the globe. There could still be dramatic changes in the business however due to lack of precedents, and the fact that the pandemic is still ongoing, we are unable to provide specific details on how this could impact Subex's business. We are providing some information on several risks which we are aware of and they are stated herein: (a) reduction in consumer and business purchasing; (b) consolidation of our customer base; (c) dependence on communications, service providers as our major customers; (d) security; (e) improper disclosure of personal data could result in liability and harm to our reputation; (f) technology changes and obsolescence may impact our business; (g) recruiting and retention of personnel is challenging; (h) adequately protecting our intellectual property may not be possible; (i) allegations of infringement of third-party intellectual property poses risks; (j) variability of our quarterly operating results makes comparisons difficult; (k) non-compliance with statutory obligations may result in fines and penalties; (l) non-compliance with environmental regulations may lead to fines and penalties; (m) foreign exchange fluctuations may lead to variability in our revenue; (n) SEZ related taxation benefits may be uncertain; (o) failure to fulfill contractual obligation may lead to claims; and (p) debt obligations. Below, we will discuss each of these risks in some more detail. There are, of course, additional risks faced by us, which are not specified here.

Reduction in Consumer and Business Purchasing.

We depend on our customers – primarily CSPs. If our primary customers face reduced revenue, we will also face reduced revenue. CSPs primary customers are consumers and businesses. Of course, reductions in spending by consumers or businesses will reduce revenue of CSPs and this will result in decreased spending by the CSPs which means reduced revenue for us.

Consolidation in our customer base

CSPs have gone through considerable consolidation. The consolidation, or merger, of one CSP with another can have at several impacts on us. First, it will simply reduce the overall size of the market; each consolidation effectively reduces the number of potential customers for our products. Secondly, it can and does happen that one of our existing customers can undergo a consolidation. In that event, the other party to the consolidation may already have competing products and the combined company may choose to continue with the use of the competing product rather than use our products/services. Of course, it can also happen that the two companies, when combined, choose to use our products which may have a positive impact on our revenue. Another possibility is that two existing customer merge. The consolidation of two customers will have an adverse effect on our revenue as the combined company attempts to reduce their consolidated spending. Finally, larger customers simply have more negotiating power leading to reduced prices for our products. The Company strives to have a deep penetration within the accounts that it serves so as to provide an edge over competitors and be a preferred choice during such consolidations.

Dependence on the Communications Service Providers as our major customers

We mentioned above our customers are primarily CSPs. We are fully dependent on CSPs as our major customer base. As a result, we are fully susceptible to any downturns or negative changes in the CSP industry.

Security

You must be well aware that security threats are prevalent everywhere today. This is, perhaps, especially true in the technology industry where we participate. The security vulnerabilities take many forms. Hackers may attempt to compromise computer systems and networks. Fraudsters may attempt to steal the identity of our personnel to gain access to our computer systems, networks and even banking systems. Terror activity could have an adverse impact on our business. We may fail to adequately design our products leaving our customers exposed to hacking and other network vulnerabilities. Perhaps this concern – of failure to adequately design our products leading to exposure of our customer's information is one of the largest concerns. If one of our customers faced a security breach allegedly as a result of use of our products, it would cause significant reputational risk to us and may lead to claims against us.

We devote significant resources to mitigate security threats including threats to our internal IT systems, with respect to our products and with respect to physical security of our buildings. But there cannot be any guarantee that these efforts will avoid security breaches.

Improper disclosure of personal data could result in liability and harm our reputation

You are probably aware of the global trend towards more sensitivity regarding improper disclosure of personal data. This global trend has a number of impacts on us. There are additional laws and regulations in many jurisdictions. This not only leads to increased administrative costs of compliance and increased difficulties in doing business but violations of these laws and regulations involve higher and higher fines and penalties. At the same time, we are storing and processing increasingly large amounts of personal data which leads to increased potential exposure.

We take what we consider to be appropriate steps to provide for the security and protection of all data including personal data. But, despite these efforts, it is possible our practices may not prevent the improper disclosure of personal data. Improper disclosure of this information could harm our reputation, lead to legal exposure, lead to claims against us by customers including claims for indemnification or subject us to liability under laws that protect personal data, resulting in increased costs or loss of revenue.

It is important to note that our potential liability for customer financial damages associated with losses of personal data is generally not limited by limitation of liability provisions in customer contracts.

In addition to risks related to improper disclosure of personal data, new laws and regulations are being implemented. One significant new regulation is the European General Data Protection Regulation ("GDPR") which went into full effect in May 2018. Compliance efforts related to these laws and regulations is significant and could be a distraction from other activities. Further, even without any actual improper disclosure of personal data, non-compliance could result in large fines. Still further, customer focus on these laws and regulations could delay or jeopardize sales and installations of Subex products.

Technology changes and obsolescence may impact our business

We experience rapid technological changes which could make our technology and services obsolete, less marketable or less competitive. These changes result in our need to continually improve the features, functionality, reliability and capability of our products which poses development challenges and expenses. We may not be able to adapt to these changes successfully or in a cost-effective way which may adversely affect our ability to compete and retain customers or market share.

While the rapid technological changes require us to change our products, launching new products is also a key element of our growth. An inability to bring new products with high demand to the market in a timely manner will reduce our growth and profitability.

We make strong efforts to put in place processes and methodologies to address these issues and to turn it into a strategic advantage by being in the forefront of technological evolution. For example, regular skill upgradation programs and training sessions that include attending global conferences and employing specialized consultants etc. are undertaken.

Recruiting and Retention of Personnel is challenging

Subex's talent acquisition strategy is to hire candidates with the right competencies required by the business at the right time, a judicious mix of lateral hires and fresh graduates. We are an equal opportunity employer and focus on meritocracy at all stages of hiring, strictly based on role-mapping career architecture. We have a robust process to source and select the best talent, both for entry-level roles as well as lateral hires through our website, channel partners, referral campaigns, campus placements, and internal job postings. Given the difficult situation arising from the pandemic in FY22, a lot of our hiring was done virtually, and we hired close to 574 Subexians.

Adequately Protecting Our Intellectual Property may not be possible

We operate in a global environment; protecting our proprietary technology in the many different jurisdictions we operate in, which is challenging. We depend on a combination of technical innovations, as well as copyrights and trade secrets for protection of our technology. We also maintain patent and trademark protection, as and where applicable and required. However, some jurisdictions have limited laws protecting technologies and other jurisdictions, even if they have laws protecting technology related innovations, are curtailed by limited or difficult enforcement systems. Even in jurisdictions which are equipped with adequate laws and enforcement systems, detection of infringement of our rights may be difficult and even if detected, engaging in litigation to enforce our rights would be expensive.

Departure of our personnel, especially to a competitor, is a particular risk to our technology and intellectual property rights. We generally require all employees and advisors to sign agreements which require that our information be maintained as confidential during and after their employment/engagement. These agreements also assign or otherwise vest rights in the intellectual property developed by these employees and advisors to the company. Even so, these agreements may not effectively prevent disclosure of our information or effectively assign rights to us. Further, detection of violation of these agreements may be difficult and it may be difficult to enforce these agreements even when such violations are detected. Any exposure of our information by former employees or any failure to adequately have rights assigned to us, may have a material adverse effect on our business, financial condition, the results of our operations and our reputation.

Allegations of Infringement of Third- Party Intellectual Property poses Risks.

We may face claims by third parties that our products infringe their intellectual property rights. Whether or not we ultimately prevail in any intellectual property dispute, defending the dispute may be expensive, it may distract our management and other key personnel and its outcome is uncertain. Further, if any of our products are found to infringe the intellectual property rights of others, or if we settle a claim in an adverse manner, it may restrict or prohibit further development, manufacture, and sale of our products. A loss or adverse settlement may require us to pay substantial sums of money in terms of damages. We may also be forced to seek licenses to continue to use the product that contains the specific intellectual property. These licenses may not be available on commercially acceptable terms or may not be available at all.

Furthermore, we are required to indemnify our customers against third-party claims of infringement of intellectual property arising out of our customers' use of our products and services. Typically, our liability for such indemnification is not limited by limitation of liability provisions in our customer contracts.

Further, we are often in possession of proprietary information of our customers. This information may be wrongly used or disclosed or may be misappropriated by employees of the Company or others. This would result in a breach of our contractual obligations to our customers. Any such breach may subject us to a significant claim(s) from the customer for damages and may also significantly damage our reputation.

We have a consistent protocol of requiring NDAs before disclosure of our trade secrets/confidential information to third parties. Employees sign confidentiality terms as a part of their employment agreement.

Historically, we have not received any allegation of infringement of third-party intellectual property against our products nor our services. However, especially since we invest in and introduce new product lines, allegations of infringement of third-party intellectual property rights, against us or our customers with respect to our products or services, or any allegation of breach of our confidentiality obligations to our customers could arise and this could have a materially adverse impact on our business, financial condition the results of our operations and our reputation.

Variability of Our Quarterly Operating Results Makes Comparisons Difficult

Our quarterly operating results have varied in the past due to reasons like seasonal pattern of hardware and software capital spending by customers, information technology investment trends, achievement of milestones in the execution of projects, hiring of additional staff and timing and integration of acquired businesses. Hence, the past operating results and period to period comparisons may not indicate future performance. Our management is attempting to mitigate this risk through expansion of our client base geographically, increasing annuity revenue such as through managed services and also looking to grow revenues from Horizon 2 areas of IOT Security, ROC Insights etc.

Non-compliance with statutory obligations may result in fines and penalties

We face certain statutory obligations. Some of these obligations arise from the fact that we have registered with Special Economic Zone for software development activities and have availed Customs Duties and Goods and Service Tax exemptions. The non-fulfillment of export obligations or other non-compliance with statutory obligations may result in penalties as stipulated by the Government and this may have an impact on future profitability. The Company has team of in-house attorneys and engages outside counsel/consultants on a need basis. An ongoing monitoring mechanism has been established with respect to applicable laws.

Certifications and compliance

Subex is certified for both Information Security and Quality Management System Periodic reviews and internal audits are carried out based on a defined program. These audits cover the Delivery and Corporate functions based on the scope of certification for management systems which is currently defined as per the requirements of ISO 27001:2013, GDPR and ISO 9001:2015. A system is in place to identify and manage process changes methodically. There is people involvement across organization in the activities of process development, implementation and reviews, there by achieving continual improvement. A centralized repository is in place to cover all policies, processes and controls, which is easily accessible to all employees to ensure strict process adherence.

Non-compliance with Environmental Regulations may lead to fines and Penalties

Software development, being generally a pollution free industry, means we are not subject to significant environmental regulations. Nonetheless, non-compliance with applicable environment regulations may lead to significant fines and penalties. We do adhere to the guidelines for disposing of E-wastes as stipulated by the E-Waste (Management and Handling) Rules.

Foreign Exchange Fluctuations May Lead to Variability in Our Revenue

We have substantial exposure to foreign exchange related risks on account of revenue from export of software and outstanding liabilities. There is a natural hedge to the extent of expense incurred in same currency. Despite this, particularly given the volatility in the foreign exchange market, there could be significant variations. Our management is attempting to mitigate this risk through hedging by obtaining forward contracts against its revenue and receivables.

Failure to Fulfill Contractual Obligation May Lead to Claims

We enter into contracts with our customers in the ordinary course of business, under which we are obligated to perform and act according to the contractual terms enumerated under them. Any failure to fulfill these contractual obligations may expose us to financial, reputational and other risks.

We are confident we have taken sufficient measures to assure it meets the contractual obligations under the customer contract. Nonetheless, there cannot be any assurance that a customer will not allege a breach by us of our obligations.

Debt Obligation

The Company did not have any debt obligation as on March 31, 2021.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

In accordance with the provision of Section 134(5)(e) of the Companies Act, 2013, and as per the provisions of the SEBI (LODR), Regulations, 2015, the Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Such Internal Financial Controls were found to be adequate for a Company of this size. The controls are largely operating effectively since there has not been identification of any material weakness in the Company. The Directors have in the Directors Responsibility Statement under paragraph (e) confirmed the same to this effect. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparations, reliable financial information. The Company has adopted accounting policies which are in line with Indian Accounting Standards ("Ind AS").

Pursuant to the provisions of the Section 134(5)(f) of the Act, the Company during the year devised proper systems and continued to ensure compliance with the provisions of all applicable laws. Any matter that required attention was immediately dealt with. The compliance system was largely found to be adequate and operating effectively. The Directors have in the Directors Responsibility Statement under paragraph (f) confirmed the same to this effect.

The Internal Auditors monitor and evaluate the effectiveness and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of Internal Auditors, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Subex is certified for ISO 9001:2015 (Quality Management System) and ISO 27001:2013 (Information Security Management System). Internal audits are conducted periodically for projects and support functions to adhere to these international standards. These audits are conducted across Bengaluru, UK and US locations to ensure processes are followed to provide a better customer experience. Summary of the audits are shared across organization to help understand strengths and weaknesses in the system. People involvement in organization process initiatives is one that approaches towards achieving better compliance, standardizing activities to consistently achieve better customer satisfaction.

This year Subex focused on additional security awareness programs and improve the existing business continuity controls owing to the pandemic. Additionally, we continued to identify and involve relevant stakeholders to review and align the processes to Subex's Business objectives.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Financial Highlights/ Year Ended March 31	2020-21		2019-20	
	Consolidated	Standalone	Consolidated	Standalone
Revenue from operations	37,203	2,916	36,498	1,079
Total Income	37,677	5,510	37,061	3,170
Earnings Before Interest, Exceptional Items & Taxes (EBIT)	8,472	302	7,910	(1,172)
Profit/(Loss) before Exceptional items & tax	8,650	2,882	7,996	891
Exceptional Items	287	(231)	(31,766)	(21,361)
Profit/(Loss) before tax	8,937	2,651	(23,770)	(20,470)
Tax expenses	3,765	29	3,145	118
Profit/ (Loss) after tax	5,172	2,622	(26,915)	(20,588)
Other comprehensive income/(loss)	624	-	(29)	(21)
Equity dividend %	10%	10%	Nil	Nil
Share Capital	28,100	28,100	56,200	56,200
Reserves & Surplus	26,755	22,066	(4,661)	(6,176)
Net worth	54,855	50,166	51,539	50,024
Gross Property, Plant & equipment, right-of-use asset and other intangible assets	5,786	6,259	8,215	6,599
Net Property, Plant & equipment, right-of-use asset and other intangible assets	3,139	874	4,861	1,157
Total Assets	72,666	57,919	68,098	55,128

Ratios where there has been a significant change from fiscal 2020 to fiscal 2021

Key Indicators	2020-21		2019-20	
	Consolidated	Standalone	Consolidated	Standalone
Debtor Turnover Ratio	4.0	1.9	4.1	1.2
Current Ratio	3.2	0.9	2.7	0.6
Debt/Equity Ratio	0.05	-	0.09	0.01
Net Profit Margin %	13.9	89.9	(73.7)	(1,908.0)
Return on year end Net Worth (excluding exceptional items) %	10.4	5.7	7.4	1.2
Return on year end capital employed% (EBIT/CapitalEmployed)	14.8	0.6	14	(2.3)

- Debtors turnover ratio is computed as turnover divided by average debtors. On consolidated basis, decrease in debtor's turnover ratio is on account of increase average debtors in FY20-21. On standalone basis, increase is on account of increase in revenue from ₹ 1,079 lakhs in FY 2019-20 to ₹ 2,916 lakhs in FY 2020-21 .

- Current ratio is computed as current assets by current liabilities. Increase in ratio is due to increase in current assets on both standalone and consolidated basis as compared to previous year.
- Debt equity ratio is computed as total of borrowings and lease liabilities divided by net worth. Decrease in debt equity ratio is on account of decrease in the lease liabilities.
- Return on net worth on consolidated basis is computed as net profit or loss attributable to equity shareholders (excluding exceptional gains of ₹ 287 lakhs and exceptional loss of ₹ 31,766 lakhs for 2020-21 and 2019-20 respectively) by average shareholders equity. Return on net worth on standalone basis is computed as net profit or loss attributable to equity shareholders (excluding exceptional loss of ₹ 231 lakhs and ₹ 21,361 lakhs for 2020-21 and 2019-20 respectively) by average shareholders equity.
- Net profit margin is computed as net profit or loss by turnover of the company. Variation in ratios has been explained in the below commentary.
- Return on year end capital employed is computed as earnings before interest and tax by capital employed. There has been increase in EBIT from ₹ 7,910 lakhs in 2019-20 to ₹ 8,472 lakhs in 2020-21 on consolidated basis and from negative EBIT of ₹ 1,172 lakhs in 2019-20 to positive EBIT of ₹ 302 lakhs in 2020-21 on standalone basis.

COMMENTARY ON FINANCIAL STATEMENTS

Share Capital

As at March 31, 2021, the issued, subscribed and paid-up share capital of the Company was ₹ 2,81,00,14,675 (Rupees Two hundred and eighty one crores, fourteen thousand, six hundred and seventy five only) divided into 56,20,02,935 (Fifty six crores, twenty lakhs, two thousand nine hundred and thirty five only) equity shares of ₹ 5 (Rupees five only) each. The National Company Law Tribunal, Bengaluru Bench, vide its Order dated September 23, 2020 approved the Scheme of Reduction of Equity Share Capital of the Company from ₹ 562 Crores to ₹ 281 Crores by reducing the face value of the equity shares from ₹ 10/- each to ₹ 5/- each. The Company has not allotted equity shares in FY 2020-21.

Reserves and Surplus

Securities premium

On standalone and consolidated basis, the balance of security premium as at March 31, 2020 amounted to ₹ 26,712 lakhs. During the year 2020-21, ₹ 33 lakhs has been transferred to securities premium on exercise of share options by employees. Also, an amount of ₹ 10,301 lakhs has been utilized to write-off the accumulated losses, in accordance with the scheme of Capital reduction approved by the NCLT on September 23, 2021. As at March 31, 2021, the balance of security premium was ₹ 16,444 lakhs..

Retained earnings

- On a standalone basis, as at March 31, 2020, there was deficit balance in retained earnings amounting ₹ 36,325 lakhs. During the year, 2020-21, the Company has written-off the accumulated losses of ₹ 38,401 lakhs by utilizing ₹ 10,301 lakhs from securities premium and ₹ 28,100 lakhs from the paid-up share capital of the Company, in accordance with the scheme of Capital reduction approved by the NCLT on September 23, 2021. Also, the Company has earned a profit of ₹ 2,622 lakhs and distributed interim dividend of ₹ 2,746 lakhs. As at March 31, 2021, there was a surplus in the retained earnings amounting to ₹ 1,952 lakhs.
- On a consolidated basis, as at March 31, 2020, there was deficit balance in retained earnings amounting ₹ 19,828 lakhs. During the year, 2020-21, the Company has written-off the accumulated losses of ₹ 38,401 lakhs by utilizing ₹ 10,301 lakhs from securities premium and ₹ 28,100 lakhs from the paid-up share capital of the Company, in accordance with the scheme of Capital reduction approved by the NCLT on September 23, 2021. Also, the Company has earned a profit of ₹ 5,172 lakhs and distributed interim dividend of ₹ 2,746 lakhs. As at March 31, 2021, there was a surplus in the retained earnings amounting to ₹ 20,987 lakhs.

Exchange differences on translating the financial statements of a foreign operation.

- During the year 2019-20, the balance of Foreign Currency Translation Reserve of ₹ 12,206 lakhs has been included in the Reserves and Surplus to bring it in line with Schedule III of the Act.
- During the year 2020-21, the balance of Foreign Currency Translation Reserve of ₹ 11,570 lakhs has been included in the Reserves and Surplus to bring it in line with Schedule III of the Act.

Total equity attributable to equity holders of the company.

- On a standalone basis, the total equity attributable to equity holders of the Company has increased to ₹ 50,166 lakhs as at March 31, 2021, as compared to ₹ 50,024 lakhs as at March 31, 2020.
- On a consolidated basis, the total equity attributable to equity holders of the Company has increased to ₹ 54,855 lakhs as at March 31, 2021 from ₹ 51,539 lakhs as at March 31, 2020. The movement was primarily on account of profits earned during the year, interim dividend paid to the share holders and exchange gain on foreign currency translation.

Employee Stock Options Plan

Under the Subex Employees Stock Option Scheme-2018 Company has granted 12,40,500 options during the year ended March 31, 2021 as compared to 1,28,00,000 options during March 31, 2020. The net amount carried in respect of stock options outstanding at March 31, 2021 amounts to ₹ 232 lakhs (Previous year : ₹ 114 lakhs).

Property, plant, equipment, right-of-use asset and other intangible assets

During the year, the Company added ₹ 1,084 lakhs on consolidated basis and ₹ 55 lakhs on standalone basis, to its gross block. The Company disposed-off certain assets no longer required. Also, the Company has classified land use-rights related net block to right- of-use assets on account of adoption of Ind AS 116 – Leases. As at March 31, 2021, the balance in right-of-use asset stands at ₹ 1,962 lakhs on consolidated basis and ₹ 46 lakhs on standalone basis. Refer note 28 of consolidated financial statement and 27 of standalone financial statement for further details.

The Company's net block of property, plant and equipment, right-of-use asset and other intangible assets was ₹ 3,139 lakhs (Previous year ₹ 4,861 lakhs) on consolidated basis and ₹ 874 lakhs (Previous year ₹ 1,157 lakhs) on standalone basis.

Goodwill

On a consolidated basis, carrying value of goodwill as at March 31, 2021 and March 31, 2020 stood at ₹ 34,409 lakhs .

During the previous year 2019-20, 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 in respect of carrying value of goodwill and had made an impairment provision of ₹ 31,473 lakhs towards carrying value of goodwill. During the year 2020-21, there is no change in the carrying value of goodwill.

Investments

On a standalone basis, the total investment value as at March 31, 2021 and as at March 31, 2020 stood at ₹ 47,561 lakhs.

During the previous year 2019-20, 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 investment in Subex Assurance LLP and had made an impairment provision of ₹ 16,808 lakhs towards its carrying value. As at March 31, 2021, there is no change in the carrying value of the investment in Subex Assurance LLP and it remained at ₹ 44,756 lakhs.

During the year 2020-21 and previous year 2019-20, there is no diminution in the carrying value of investment in Subex Digital LLP and Subex Americas Inc. The carrying value of these investments remains at ₹ 1,869 lakhs and ₹ 936 lakhs respectively.

Trade Receivables

The major customers of the Company are the telecom and cellular operators overseas and in India. The receivables are spread over a large customer base. There is no significant concentration of credit risk on a single customer.

All the debtors are generally considered good and realizable and necessary provision has been made for debts considered to be bad and doubtful. The level of sundry debtors is normal and is in tune with business trends requirements.

The management believes that the overall composition and condition of trade receivables is satisfactory post assessment of doubtful receivables. As at March 31, 2021, on a standalone basis trade receivable amounted to ₹ 2,184 lakhs (previous year; ₹ 915 lakhs) net of provision for doubtful debts of ₹ 2,239 lakhs (previous year; ₹ 2,262 lakhs).

On a consolidated basis trade receivable amounted to ₹ 9,215 lakhs (previous year ₹ 9,206 lakhs) net of provision for doubtful debts of ₹ 2,088 lakhs (previous year ₹ 2,178 lakhs).

Cash and Cash Equivalents

On a standalone basis, balance in current and deposit accounts stood at ₹ 397 lakhs as at March 31, 2021, as compared to ₹ 392 lakhs as at March 31, 2020.

On a consolidated basis, balance in current, EEFC and deposit accounts stood at ₹ 14,294 lakhs as at March 31,2021 as compared to ₹ 9,043 lakhs as at March 31, 2020.

Long-terms Loans and Advances

It represents rent deposit, electricity deposit, telephone deposits and employee advances of like nature.

Borrowings

On a consolidated basis, short-term borrowings as at March 31, 2021 stood at ₹ 584 lakhs (Previous year Nil).

Income

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 are considered to constitute one segment and hence the Company has not made any additional segment disclosures.

Geographically, the Company earns income from export of software products and related services to USA, EMEA & Asia Pacific region.

With effect from January 01, 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.

Pursuant to the above re-organization, 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.

Other Income

Other income consists of income derived by the Company from interest on deposits from banks , refund of research and development expense.

Expenditure

The employee benefits expenses Increased to ₹ 19,720 lakhs compared to previous year at ₹ 17,454 lakhs on consolidated basis. Increase on consolidated is majorly on account of new additions to the headcount and increase in the sales commission expense.

With effect from January 01, 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 resulting in increase of employee benefits expense on standalone basis from ₹ 616 lakhs during previous year to ₹ 1,361 lakhs during year ended March 31, 2021.

Pursuant to above re-organization 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.

Operating Profits

During the year, on consolidated basis, the Company earned an operating profit before interest, depreciation, tax, amortization and exceptional items of ₹ 9,850 lakhs being 26.5% of total revenue (excluding other income) as against ₹ 9,418 lakhs at 25.8% total revenue (excluding other income) during the previous year. Increase is majorly on account of growth in revenue by 2%, i.e. ₹ 705 lakhs compensated by increase in expense by ₹ 273 lakhs.

On a standalone basis, the Company incurred operating profit before Interest, depreciation, tax and exceptional items of ₹ 495 lakhs (excluding other income and share of profit/loss from LLP's) being 17% of total income (excluding other income and share of profit/loss from LLP's) as against operating loss of ₹ 610 lakhs at 57% during the previous year. Increase in profit is majorly on account of increase in revenue by ₹ 1,837 lakhs, compensated by increase in employee cost by ₹ 745 lakhs.

Interest

During the year ended March 31,2021, Company recognized interest expense totaling to ₹ 296 lakhs (Previous year: ₹ 477 lakhs) on a consolidated basis and ₹ 14 lakhs (Previous year: ₹ 28 lakhs) on a standalone basis.

For the year ended March 31, 2021, expenditure includes interest on Lease liability recognized as per Ind AS 116, Leases amounting ₹ 269 lakhs (Previous year ₹ 452 lakhs) and ₹ 14 lakhs (Previous year ₹ 28 lakhs) on a consolidated and standalone basis respectively.

Depreciation

During the year ended March 31, 2021, depreciation expense amounted to ₹ 1,378 lakhs (Previous year: ₹ 1,508 lakhs) on consolidated basis and ₹ 193 lakhs (Previous year: ₹ 562 lakhs) on standalone basis.

For the year ended March 31, 2021, depreciation and amortization include depreciation on right of use asset recognized as per Ind AS 116- Leases, amounting ₹ 1,028 lakhs (Previous year ₹ 1,116 lakhs) and ₹ 54 lakhs (Previous year ₹ 66 lakhs) on a consolidated and standalone basis respectively.

Tax Expense

For the year ended March 31, 2021, there was a tax expense of ₹ 29 lakhs (Previous year: tax expense charge of ₹ 118 lakhs) on a standalone basis.

During the year ended March 31,2021 tax expense includes current tax charge of ₹ 35 lakhs and reversal of foreign WHT of ₹ 6 lakhs.

During the previous year 2019-20, tax expense includes the provision of MAT credit entitlement of ₹ 425 lakhs for considering the uncertainty as regards to its utilization, offset by reversal of provision on foreign withholding tax amounting ₹ 307 lakhs on account of favorable assessment order received during the year ended March 31, 2020 allowing foreign tax credit in respect of AY 2016-17.

On a consolidated basis, tax expense was ₹ 3,765 lakhs (previous year; ₹ 3,145 lakhs).

Tax expense for the year March 31, 2021 includes tax charge of ₹ 696 lakhs (Previous year ₹ 117 lakhs), provision of MAT credit entitlement of ₹ NIL (Previous year ₹ 425 lakhs), deferred tax of ₹ 2,670 lakhs (Previous year ₹ 1,849 lakhs) and provision on Foreign tax credit of ₹ 399 (Previous year ₹ 754 lakhs net of reversal of ₹ 308 lakhs on account of favorable assessment order received during the year ended March 31, 2020 allowing foreign tax credit in respect of AY 2016-17).

Net Profit

On consolidated basis, the net profit of the Company amounted to ₹ 5,172 lakhs as against a net loss of ₹ 26,915 lakhs during the previous year. Total Comprehensive profit for the year is ₹ 5,796 lakhs as compared to the loss of ₹ 26,944 lakhs during previous year.

On standalone basis, the net profit of the Company amounted to ₹ 2,622 lakhs as against a net loss of ₹ 20,588 lakhs during the previous year. Total Comprehensive profit for the year is ₹ 2,622 lakhs as compared to loss of ₹ 20,609 lakhs during previous year.

Earnings per Share

Basic Earnings per share computed based on number of common stock outstanding, as on the Balance Sheet date is ₹ 0.96 per share (Previous year: Loss of ₹ 4.94 per share) on a consolidated basis and ₹ 0.49 per share [Previous year: Loss of ₹ 3.78 per share] on a standalone basis.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Subexians

FY21 turned out to be a year of experimentation as the overall corporate environment was impacted due to the pandemic. Remote working became the norm and we tried to enable all Subexians to work as effectively and productively as possible through this year.

The focus on the key areas or themes around which a Subexian's lifecycle is built- Leadership, Empowerment, Appreciation & Recognition and Career Development & Learning continued. Our endeavor was to enhance the Subexian experience throughout his/her lifecycle spanning recruitment, onboarding, performance, learning & growth and offboarding. As an organization, we take pride in ensuring the experience of each Subexian is positive and meaningful.

Our employees are spread across the globe and the larger centers are our offices located in Bengaluru, London, Denver, Dubai and Singapore. As of March 31, 2021, we had 1000+ full time Subexians on our rolls globally.

Human Resources at Subex is centralized at our corporate headquarters in Bengaluru, with regional HR teams providing local support aligned to the global HR strategy. The function is a key enabler in the Company's growth path by driving focused initiatives for talent development.

Our existing HR policies continue. Work from home, Sabbatical, Certification, Team Outing are examples of a few policies which are employee focused. We recognized that remote working is a reality and the new way of working. With that premise, we have introduced a Work from Anywhere (WFA) policy that prima facie, allows Subexians to work from anywhere, with guidelines on how to have that enabled.

The Subex Handbook

As we grow, it is imperative that we document the vast amount of information about Subex as an organization, and the work we do. We needed a central repository about Subex and its functions for the easy access and consumption of any Subexian, new or old. Addressing this need, we have put together a Subex Handbook, a ready reckoner for everything one needs to know about Subex.

This Subex Handbook is a living repository and will undergo continuous updations.

Key hires for the year

Over the period of the last twelve months, we have hired senior executives from the industry to fuel our growth strategy and help take Subex to the next frontier of growth. Our current Chief Technology Officer (CTO), Suresh Chintada, was hired during FY21. Some of the other senior executives we hired include Damon Acton, Regional Vice President of IoT Sales for Americas, Vivek Anand, Head – IoT Sales, APAC and Gautam Sarkar, Vice President and Head of Technology Solutions.

Recruitment

A lot of our recruitment was executed remotely given the pandemic environment. To add to the rigour and efficacy of the recruitment process, we initiated steps that would enable us to show measurable impact on the growth and quality of the workforce.

The well-established processes like Coffee with the Hiring Manager, Post- offer feedback, Subexian referral program, partner feedback, interviewer feedback, Buddy Programme etc., continue. The focus last year was also on hiring key global talent to fuel our growth objectives. Our campus hires and internship programmes were successfully conducted as we are cognizant of the need to bring on board fresh, young minds to infuse innovation within Subex.

Subexian Onboarding

Most of our onboarding last year was carried out remotely. Our onboarding process has always been well recognized and appreciated. Our robust and comprehensive onboarding process with a clear goal of creating a great day-one experience continued. All paperwork is typically done online before the joining date and this has helped save tremendous amount of time for new joiners when they join Subex. The process does not limit to only day one. Quantifiable processes to cover the new joiner's 30-60-90 training plan, regular polls and interventions take place to assess employee engagement. The new joiner training is then followed up with an on-the-job training to strengthen the knowledge and skills learnt during the training period.

Performance Management

This year the focus continued on encouraging and developing high performance with the aim of driving meritocracy. The HR team in consultation with business drove multiple high performance programs in the form of rewarding high performers with enhanced roles and incentive benefits. We introduced and established two key initiatives to support the performance of Subexians – Leadership Performance Expectation (LPE) centered around performance evaluation for certain grades and above and Career Architecture to help each Subexians in their learning and growth journey. These together with other interventions we are working on, aim to provide a 360 degrees experience for all Subexians in their growth and learning journey.

Learning & Growth

Learning & development analysis is a continuous process to align people skills with business goals. We have attempted to bring all learning at Subex together, under one roof, in order for Subexians to provide a consistent and robust learning experience. In continuation with the programmes and initiatives of last year, like the skill / competency matrix, we have also brought in a streamlined focus on curated learning, with a mix of external and internal training focused at specific groups and sections of Subexians.

Rewards & Recognition

We understand the importance of what appreciating and rewarding good performance and talent is. We revamped our rewards and recognition programme and have further automated it with additional features to help Subexians promote and establish a sound recognition culture. Although a recognition program involves costs, the outcome is significant. Some of the advantages are –

- Increases the repetition of desired behaviors, thereby aligning people with the desired organizational goals
- Better employee job satisfaction
- Enhances team spirit
- Lowers employee turnover by acting as a retention tool.
- Lowers incidences of negative behavior, reduces absenteeism, increases productivity, and decreases stress on the job
- Maintains a strong employer brand
- Acts as an allied HR process for meeting learning goals
- In addition to the specific initiatives we launched last year, like WoW, which continue, we also introduced Subexian profiling platforms through the Internal Communications channel that appreciate and communicate the work done by Subexians to the entire organization

Compensation

One of the main cornerstones of an employee's willingness to stay with an organization is compensation, and we recognize that. Subex is committed to the growth and development of its employees and will continue to invest in mind, money and effort towards this. We look at compensation holistically at Subex, and provide a suitable combination of fixed salary, variable salary, benefits, health and disability insurance, etc.

We constantly keep abreast of industry trends and benchmarks and try to maintain a balanced approach to compensation. We also arrive at the salary bands of Subexians by conducting comprehensive job matching, data validation and quality audits.

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Subex Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Subex Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2021, the Standalone Statement of Profit and Loss, including the statement of Other Comprehensive Income/(Loss), the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income/(loss), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment assessment of Investments in Subsidiaries (as described in note 5 of the standalone Ind AS financial statements)	
As at March 31, 2021, the net carrying value of investment in wholly owned subsidiaries in the standalone Ind AS balance sheet amounts to ₹ 47,561 lakhs. To assess if there is an impairment of the carrying value of investment, management conducted impairment tests, annually or whenever changes in circumstances or events indicate that, the carrying amount of such investment may not be recoverable. An impairment loss is recognized if the recoverable amount is lower than the carrying value. The recoverable amount is estimated by calculating the value in use by discounting future cash flows based on future business plans which are reviewed and approved by the Board of Directors of the Company. This is a key audit matter as the testing of investment impairment is complex and involves significant judgement. The key assumptions involved in impairment tests are projected revenue growth, operating margins, discount rates and terminal growth rate.	Our audit procedures included the following: (i) We evaluated the Company's internal controls over its annual impairment assessment and key assumptions applied such as revenue growth, operating margins, discount rates and terminal growth rates; (ii) We have obtained the valuation assessment from the management and assessed the key assumptions used; (iii) We assessed the recoverable value headroom by performing sensitivity testing of key assumptions used; (iv) We tested the arithmetical accuracy of the impairment models used; (v) We discussed potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable; and (vi) We assessed the disclosures made in the standalone Ind AS financial statements.

Evaluation of key tax matters (as described in note 32 of the standalone Ind AS financial statements).	
The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including transfer pricing and indirect tax matters. These involve significant judgment by the Company to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements, which have been a matter of significance during the audit and hence considered as a key audit matter.	Our audit procedures included the following: (i) We obtained an understanding and tested the internal controls relating to the identification, recognition and measurement of provisions for disputes and disclosures of contingent liabilities in relation to tax; (ii) We obtained confirmation from management's expert on ongoing litigations along with risk assessment and assessed the independence, objectivity and competence of the management expert; (iii) We obtained details of tax assessments, demands issued by tax authorities, orders/notices received with respect to other litigations from the management; (iv) We involved tax specialists to review the status of tax assessments and management's position in relation to on-going disputes regarding likelihood assessment of exposure carried out by the management; and (v) We assessed the adequacy disclosures made in the standalone Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including annexures, Business Responsibility Report and Report on Corporate Governance (hereinafter together referred to as "reports"), but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income/(loss), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including the Statement of Other Comprehensive Income/(Loss), the Standalone Cash Flow Statement and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 32 to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803
UDIN: 21213803AAAABQ2195

Place of Signature: Bengaluru
Date: May 17, 2021

Annexure 1 to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of Subex Limited

Statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and intangible assets.

(b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company. In respect of immovable properties of building that have been taken on lease and disclosed as Right of Use assets in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.

(ii) The Company's business does not involve inventories and accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given by the management, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given by the management, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans to directors including entities in which they are interested and in respect of loans and advances given, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for the products/ services of the Company.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and services tax, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given by the management, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, there are no dues of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax and cess, which have not been deposited on account of any dispute, except the following:

Name of the Statute	Nature of the dues	Disputed amount * (₹ in Lakhs)	Amount paid/ refund adjusted under protest (₹ in Lakhs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Adjustment for transfer pricing, disallowances under section 10A and other disallowances	151	-	2014-15	Income Tax Appellate Tribunal ('ITAT'), Bangalore
		1,397	1,397	2013-14	Income Tax Appellate Tribunal ('ITAT'), Bangalore
		379	379	2010-11	Hon'ble High Court of Karnataka
Finance Act, 1994	Service tax	1,004	924	April 2006 to October 2007	Central Excise and Service Tax Appellate Tribunal, Bangalore
		3,608	-	April 2006 to July 2009	Commissioner of Service Tax, Bangalore

* Excluding penalty and interest from the date of Order to March 31, 2021.

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by the way of initial public offer / further public offer (including debt instruments) and term loans during the year. Hence, reporting under paragraph 3(ix) of the Order is not applicable to the Company.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the standalone balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given by the management, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803
UDIN: 21213803AAAABQ2195

Place of Signature: Bengaluru
Date: May 17, 2021

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements Of Subex Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone Ind AS financial statement of Subex Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls , both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Ind AS Financial Statements

A Company's internal financial control with reference to standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803
UDIN: 21213803AAAABQ2195

Place of Signature: Bengaluru
Date: May 17, 2021

STANDALONE BALANCE SHEET
as at March 31, 2021

(₹ in Lakhs)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	53	12
Right-of-use assets	27	46	245
Intangible assets	4	775	900
Financial assets			
Investments	5	47,561	47,561
Loans	6	14	38
Income tax assets (net)	10	2,900	2,900
Other non-current assets	12	-	267
		51,349	51,923
Current assets			
Financial assets			
Loans	6	26	7
Trade receivables	7	2,184	915
Cash and cash equivalents	8	397	392
Other financial assets	9	3,900	1,871
Other current assets	12	63	20
		6,570	3,205
Total assets		57,919	55,128
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	28,100	56,200
Other equity	14	22,066	(6,176)
Total equity		50,166	50,024
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	27	35	190
Provisions	18	116	3
		151	193

STANDALONE BALANCE SHEET (contd.)
as at March 31, 2021

(₹ in Lakhs)

	Notes	As at March 31, 2021	As at March 31, 2020
Current liabilities			
Financial liabilities			
Lease liabilities	27	11	82
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	15	3	5
- total outstanding dues of creditors other than micro enterprises and small enterprises	15	355	281
Other financial liabilities	16	6,909	4,401
Other current liabilities	17	99	22
Provisions	18	90	12
Income tax liabilities (net)	19	135	108
		7,602	4,911
Total liabilities		7,753	5,104
Total equity and liabilities		57,919	55,128
Corporate information and significant accounting policies	1 & 2		
The accompanying notes are an integral part of the standalone financial statements			

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru, India
Date: May 17, 2021

For and on behalf of the Board of Directors

Vinod Kumar Padmanabhan
Managing Director & CEO
DIN : 06563872
Place: Bengaluru, India

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Venkatraman G S
Chief Financial Officer
Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

Date: May 17, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(₹ in Lakhs)

		Notes	Year ended March 31, 2021	Year ended March 31, 2020
1	Income			
	Revenue from operations	20	2,916	1,079
	Share of profit from Limited Liability Partnerships before exceptional items (net)	21	2,585	1,889
	Other income	22	9	202
	Total income		5,510	3,170
2	Expenses			
	Employee benefits expense	23	1,361	616
	Finance costs	24	14	28
	Depreciation and amortization expense	25	193	562
	Marketing and support charges		651	530
	Exchange fluctuation gain (net)		(13)	(34)
	Other expenses	26	422	577
	Total expenses		2,628	2,279
3	Profit before exceptional items and tax expense (1-2)		2,882	891
4	Exceptional items			
	Gain on termination of lease agreement	27	36	-
	Provision for service tax receivable	12	(267)	-
	Provision no longer required written back		-	100
	Impairment of intangible asset	4	-	(3,599)
	Provision for claim settlement	40	-	(1,054)
	Share of loss from Subex Assurance LLP			
	-Impairment of intangible assets and investment in subsidiary	5	-	(16,808)
	Total exceptional items		(231)	(21,361)
5	Net profit/ (loss) before tax expense (3+4)		2,651	(20,470)
6	Tax expense (net):			
	Current tax charge	19	35	-
	Provision for MAT credit	11	-	425
	Reversal - foreign withholding taxes	19	(6)	(307)
			29	118
7	Net profit/(loss) for the year (5-6)		2,622	(20,588)
8	Other comprehensive income/ (loss) ('OCI'), net of tax expense			
	Items that will not be reclassified subsequently to profit or loss			
	Re-measurement loss on defined benefit plans	34	-	(21)
	Total comprehensive income/ (loss)		-	(21)
9	Total comprehensive income/ (loss) for the year attributable to equity holders of the Company (7+8)		2,622	(20,609)
10	Earnings/(loss) per equity share [of ₹ 5/- each w.e.f September 29, 2020 and ₹ 10 upto September 28, 2020) (March 31, 2020: ₹ 10)]	28		
	Basic (₹)		0.49	(3.78)
	Diluted (₹)		0.48	(3.78)
	Corporate information and significant accounting policies	1 & 2		
	The accompanying notes are an integral part of the standalone financial statements			

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru, India
Date: May 17, 2021

For and on behalf of the Board of Directors

Vinod Kumar Padmanabhan
Managing Director & CEO
DIN : 06563872
Place: Bengaluru, India

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Venkatraman G S
Chief Financial Officer
Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

Date: May 17, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2021

A. Equity share capital (refer note 13):

	No.	₹ in Lakhs
Equity shares of ₹ 5 each w.e.f September 29, 2020 and ₹ 10 each upto September 28, 2020, issued, subscribed and fully paid-up		
As at April 1, 2019	56,20,02,935	56,200
Issued during the year	-	-
As at March 31, 2020	56,20,02,935	56,200
Issued during the year	-	-
Adjustment pursuant to Capital reduction order	-	(28,100)
As at March 31, 2021	56,20,02,935	28,100

B. Other equity (refer note 14):

(₹ in Lakhs)

Particulars	Attributable to equity holders of company						
	Reserves and surplus						Total
	Capital reserve	Securities premium	General reserve	Employee stock options reserve	Surplus/ (deficit) in the statement of profit and loss	Treasury shares	
As at April 1, 2019	2,776	26,705	1,780	17	(15,684)	(645)	14,949
Less: Loss for the year	-	-	-	-	(20,588)	-	(20,588)
Less: Effect of adoption of Ind AS-116 Leases	-		-	-	(32)	-	(32)
Less: Other comprehensive income/ (loss)	-	-	-	-	(21)	-	(21)
Less: Equity shares purchased by Subex Employee Welfare and Employee Stock Option Plan ("ESOP") Benefit Trust	-	-	-	-	-	(611)	(611)
Add: Share based expenses (refer note 33)	-	-	-	102	-	-	102
Add/(less): On account of exercise of stock options	-	7	-	(5)	-	23	25
As at March 31, 2020	2,776	26,712	1,780	114	(36,325)	(1,233)	(6,176)
Add: Profit for the year	-	-	-	-	2,622	-	2,622
Less: Equity shares purchased by Subex Employee Welfare and Employee Stock Option Plan ("ESOP") Benefit Trust	-	-	-	-	-	(22)	(22)
Less: Other comprehensive income/ (loss)	-	-	-	-	-	-	-
Add: Share based expenses (refer note 33)	-	-	-	147	-	-	147
Add/(less): On account of exercise of stock options	-	33	-	(26)	-	134	141
Add/(less): On account of vested options lapsed during the year		-	3	(3)	-	-	-
Add/(less): Adjustment pursuant to Capital reduction order (refer note 13)	-	(10,301)	-	-	38,401	-	28,100
Less: Interim dividend [refer note 14(a)]	-	-	-	-	(2,746)	-	(2,746)
As at March 31, 2021	2,776	16,444	1,783	232	1,952	(1,121)	22,066

Corporate information and significant accounting policies (refer notes 1 & 2)
The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru, India
Date: May 17, 2021

For and on behalf of the Board of Directors

Vinod Kumar Padmanabhan
Managing Director & CEO
DIN : 06563872
Place: Bengaluru, India

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Venkatraman G S
Chief Financial Officer
Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

Date: May 17, 2021

STANDALONE STATEMENT OF CASH FLOWS
for the year ended March 31, 2021

(₹ in Lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
(A)	Operating activities		
	Profit/(loss) before tax expense	2,651	(20,470)
	Adjustments to reconcile profit/ (loss) before tax expense to net cash flows:		
	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)
	Operating profit/ (loss) before working capital changes	503	(1,272)
	Working capital adjustments:		
	(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)
		147	(1,227)
	Income tax paid (including TDS, net of refund)	(2)	(29)
	Net cash flows from/(used) in operating activities	145	(1,256)
(B)	Investing activities		
	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
	Net cash flows from investing activities	2,530	1,608

STANDALONE STATEMENT OF CASH FLOWS (contd.)
for the year ended March 31, 2021

(₹ in Lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
(C)	Financing activities		
	Proceeds from exercise of ESOP	141	25
	Interest paid	(14)	(28)
	Repayment of Lease liability	(51)	(54)
	Payment of dividend [refer note 14(a)]	(2,746)	-
	Net cash flows used in financing activities	(2,670)	(57)
(D)	Net increase in cash and cash equivalents (A+B+C)	5	295
	Cash and cash equivalents at the beginning of the year	392	97
(E)	Cash and cash equivalents at year end (refer note 8)	397	392

Corporate information and significant accounting policies (refer notes 1 & 2)
The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru, India
Date: May 17, 2021

For and on behalf of the Board of Directors

Vinod Kumar Padmanabhan
Managing Director & CEO
DIN : 06563872
Place: Bengaluru, India

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Venkatraman G S
Chief Financial Officer
Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

Date: May 17, 2021

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

1. Corporate information

Subex Limited ("the Company" or "Subex") a public limited company incorporated in 1994, is a leading global provider of Operations and Business Support Systems ("OSS/BSS") to communication service providers ("CSPs") worldwide in the Telecom industry.

The Company pioneered the concept of a Revenue Operations Centre ("ROC") – a centralized approach that sustains profitable growth and financial health for the CSPs through coordinated operational control. Subex's product portfolio powers the ROC and its best-in-class solutions enable new service creation, operational transformation, subscriber-centric fulfilment, provisioning automation, data integrity management, revenue assurance, cost management, fraud management and interconnect/ inter-party settlement. Subex also offers a scalable Managed Services Program. The CSPs achieve competitive advantage through Business Optimization and Service Agility and improve their operational efficiency to deliver enhanced service experiences to their subscribers. The Company has its registered office in Bengaluru and operates through its wholly owned subsidiaries in India, USA, UK, Singapore, Canada, Bangladesh and UAE and branches in USA, UK, Canada, Australia, Italy, UAE and Saudi Arabia.

Effective November 1, 2017, the Company has restructured its business by way of transfer of its Revenue Maximisation Solutions and related businesses ("RMS business") and the Subex Secure and Analytics solutions and related businesses ("Digital business") to its subsidiaries, Subex Assurance LLP ("SA LLP") and Subex Digital LLP ("SD LLP") (together referred to as "LLPs"), respectively, hereinafter referred to as the "Restructuring" to achieve amongst other aspects, segregation of the Company's business into separate verticals to facilitate greater focus on each business vertical, higher operational efficiencies, and to enhance the Company's ability to enter into business specific partnerships and attract strategic investors at respective business levels, with an overall objective of enhancing shareholder value. Post such Restructuring, the Company continues to directly hold 99.99% share in the capital of, and in the profits and losses of, each of these LLPs and the entire economic interest as well as control and ownership of the RMS Business and Digital Business remains with the Company post such Restructuring.

These standalone financial statements for the year ended March 31, 2021 are approved by the Board of Directors on May 17, 2021.

2. Significant accounting policies

a. Basis of preparation

The standalone financial statements of the Company have been prepared and presented in accordance with accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained further in the accounting policies below.

The standalone financial statements comprise the financial statements of the Company and its controlled employee benefit trust.

Subex Limited is the sponsoring entity of Employee Stock Option Plan ('ESOP') trust. Management of the Company can appoint and remove the trustees and provide funding to the trust for buying the shares. Basis assessment by the management, it believes that the ESOP trust is controlled by the Company and accordingly Subex Employee Welfare and ESOP Benefit Trust is consolidated [refer note 2(o) and note 33].

The standalone financial statements are presented in INR ("₹") and all the values are rounded off to the nearest Lakhs (INR 00,000) except when otherwise indicated.

b. Use of estimates, assumptions and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the standalone financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

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 Ind AS financial statements, 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 standalone Ind AS financial statements and the Company will continue to closely monitor any material changes to its assessment of economic impact of COVID- 19 pandemic.

Key source of estimation of uncertainty as at the date of standalone financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Also, refer note 2(h).

Impairment of financial assets

In accordance with Ind AS 109, the Company assesses impairment of financial assets ('Financial instruments') and recognises expected credit losses, which are measured through a loss allowance.

The Company provides for impairment of investment in subsidiaries. Impairment exists when there is a diminution in value of the investment and the recoverable value of such investment is lower than the carrying value of such investment.

The Company provides for impairment of trade receivables and unbilled revenue based on assumptions about risk of default and expected timing of collection. The Company uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period. Also, refer note 2(h).

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date (refer note 34).

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. These mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 33.

Taxes

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes and tax credits including the amount expected to be paid or refunded for uncertain tax positions. Also refer note 2(r) and note 19.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts [Refer to note 2(j)].

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

c. Current/ non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It holds the liability primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

d. Revenue recognition

The Company derives its revenues primarily from sale and implementation of its license and implementation of its proprietary software and managed/ support services.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those products or services.

Revenue from Support Services to group entities/related parties-Support Service income is recognized as services are rendered, on the basis of an agreed mark up on costs incurred, in accordance with the agreement entered into with group entities.

The following specific recognition criteria must also be met before revenue is recognized:

Revenues from licensing arrangements is recognized on transfer of the title in user licenses, except those contracts where transfer of title is dependent upon rendering of significant implementation and other services by the Company, in which case revenue is recognized over the implementation period in accordance with the specific terms of the contracts with clients.

Revenue from implementation and customisation services is recognised using the percentage of completion method. Percentage of completion is determined based on completed efforts against the total estimated efforts, which represent the fair value of services rendered.

Revenue from managed/ support services comprise income from fixed price contracts, time-and-material contracts and annual maintenance contracts. Revenue from fixed price contracts is recognized over the period of the contracts using the percentage of completion method. Revenue from time and material contracts is recognized when the services are rendered in accordance with the terms of contracts. Revenue from annual maintenance contracts is recognised rateably over the period of the contracts.

Revenue from sale of hardware under reseller arrangements is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods to customers.

In case of multiple element arrangements for sale of software license, related implementation and maintenance services, the Company has applied the guidance in Ind AS 115, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements generally meet the criteria for considering the sale of software license, related implementation and maintain services as distinct performance obligation. For allocating the consideration, the Company has measured the revenue in respect of each distinct performance obligation of a transaction at its standalone selling price, in accordance with principles given in Ind AS 115. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company has used a residual method to allocate the arrangement consideration. In these cases, the balance of the consideration, after allocating the standalone selling price of undelivered components of a transaction has been allocated to the delivered components for which specific standalone selling price do not exist.

The Company collects Goods and Services tax and other taxes as applicable in the respective tax jurisdictions where the Company operates, on behalf of the government and therefore it is not an economic benefit flowing to the Company. Hence it is excluded from revenue.

Provisions for estimated losses on contracts are recorded in the period in which such losses become probable based on the current contract estimates. 'Unbilled revenue' included in other

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

financial assets represent revenues recognized in excess of amounts billed to clients as at the balance sheet date. 'Unearned revenue' included in other current liabilities represent billings in excess of revenues recognized as at the balance sheet date.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

Interest

Interest income is recognized as it accrues in the standalone statement of profit and loss using effective interest rate method.

e. Property, plant and equipment

Property, Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the plant and equipment to its working condition for the intended use and cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the standalone statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Gains or losses arising from derecognition of the assets are measured as the difference between the net disposal proceeds and the carrying amounts of the assets and are recognized in the standalone statement of profit and loss when the assets are derecognized.

f. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the standalone statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the standalone statement of profit and loss when the asset is derecognised.

g. Depreciation and amortization

Depreciation of property, plant and equipment and amortization of intangible assets with finite useful lives is calculated on a straight-line basis over the useful lives of the assets estimated by the management, basis technical assessment:

The Company has used the following useful lives to provide depreciation on plant and equipment and amortization of intangible assets:

Assets	Useful life
Computer equipment	3 years
Furniture and fixtures	5 years
Vehicles	5 years
Office equipment	5 years
Leasehold improvements	5 years
Computer software	4 years
Intellectual property rights	10 years

The residual values, useful lives and methods of depreciation of property, plant and equipment and amortization of intangibles are reviewed at each financial year end and adjusted prospectively, if appropriate.

h. Impairment

Impairment of financial assets

The Company assesses at each date of balance sheet whether

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

a financial asset or a Group of financial assets is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Impairment of non-financial assets

Non-financial assets including Property, plant and equipment, intangible assets and right-of-use asset with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the standalone statement of profit and loss.

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the standalone statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

i. Equity investments in subsidiaries

Investments in subsidiaries are classified as non-current investments. Impairment recognized, if any, is reduced from the carrying value.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the standalone statement of profit and loss.

Investment in Limited Liability Partnership (LLP) firms is carried at cost in the separate financial statements. The share in profit/loss in LLPs is recognised as income/expense in the standalone statement of profit and loss and is recorded under other current financial asset/liabilities as the right to share the profit/loss is established as per the LLP's agreement. 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.

j. Leases

The Company assesses at contract inception whether a contract is/ contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer note 2(h) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

exemption to its short-term leased assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leased assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases using the modified retrospective method with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). The cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

k. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised when the Company becomes a party to the contract that gives rise to financial assets and liabilities. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in standalone statement of profit and loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial assets and liabilities

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial asset/ liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone statement of profit and loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first

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day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

l. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

m. Standalone statement of cash flows

Cash flows are reported using the indirect method, whereby profit/ (loss) for the period is adjusted for the effects of transactions of a non-cash nature or any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

n. Employee share based payments

The Company measures compensation cost relating to employee stock options plans using the fair valuation method in accordance with Ind AS 102, Share-Based Payment. Compensation expense is amortized over the vesting period of the option on a straight-line basis. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model (Black-Scholes valuation model). That cost is recognised, together with a corresponding increase in employee stock options reserves in other equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

o. Treasury shares

The Company has formed Subex Employee Welfare and ESOP Benefit Trust (ESOP Trust) for providing share-based payment to its employees. The Company treats ESOP Trust as its extension and shares held by ESOP Trust are treated as treasury shares.

Own equity instruments that are purchased (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue

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for the year ended March 31, 2021

or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in reserve. Share options exercised during the reporting period are adjusted with treasury shares.

p. Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

Defined contribution plans

Contributions payable to recognized provident funds, which are defined contribution schemes, are charged to the standalone statement of profit and loss.

Defined benefit plans

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on projected unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in OCI are not to be subsequently reclassified to the standalone statement of profit and loss. As required under Ind AS compliant Schedule III, the Company transfers it immediately to 'Surplus/ (deficit) in the statement of profit and loss'.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

Short-term employee benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. Compensated absences, which are expected to be utilised within the next 12 months, are treated as short-term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employees render the related services are treated as long-term employee benefits for measurement purpose. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end, less the fair value of the plan assets out of which the obligations are expected to be settled. Actuarial gains/ losses are immediately taken to the standalone statement of profit and loss and are not deferred.

The Company presents the entire compensated absences balance as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

q. Foreign currencies

Foreign currency transactions are initially recorded in the functional currency of the Company by applying exchange rates prevailing on the date of the transaction. For practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the standalone statement of profit and loss.

The Company's standalone financial statements are presented in INR (₹). The Company determines the functional currency as INR on the basis of primary economic environment in which the entity operates.

r. Taxes on income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in standalone statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in other equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in other equity, respectively.

Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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Deferred income tax

Deferred income tax is recognised using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income taxes are not provided on the undistributed earnings of branches where it is expected that the earnings of the branch will not be distributed in the foreseeable future.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets include Minimum Alternative Tax ("MAT") paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

s. Provision and contingencies

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation. If the effect of time value of money is material, provision is discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

t. Cash dividend to the equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. Final dividends on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

u. Earnings/ (loss) per share

Basic earnings/ (loss) per share is computed by dividing the profit/ (loss) after tax attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest (net of any attributable taxes) other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share or increase the net loss per share. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

v. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/ loss amounts are evaluated regularly by the Executive Management in deciding how to allocate resources and in assessing performance. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to the segments on the basis of their relationship to the operating activities of the segment.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under 'unallocated revenue/ expenses/ assets/ liabilities'.

3. Property, plant and equipment

(₹ in Lakhs)

	Computer equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Office equipment	Total
Cost						
As at April 1, 2019	71	1	2	-	4	78
Additions	2	-	-	-	-	2
Disposals	-	-	-	-	-	-
As at March 31, 2020	73	1	2	-	4	80
Additions	46	-	-	9	-	55
Disposals	(4)	-	-	-	-	(4)
As at March 31, 2021	115	1	2	9	4	131
Depreciation						
As at April 1, 2019	57	-	1	-	2	60
Charge for the year	6	-	1	-	1	8
Disposals	-	-	-	-	-	-
As at March 31, 2020	63	-	2	-	3	68
Charge for the year	13	-	-	-	1	14
Disposals	(4)	-	-	-	-	(4)
As at March 31, 2021	72	-	2	-	4	78
Net block						
As at March 31, 2020	10	1	-	-	1	12
As at March 31, 2021	43	1	-	9	-	53

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

4. Intangible assets

(₹ in Lakhs)

	Computer software	Intellectual property rights	Total
Cost			
As at April 1, 2019	130	6,078	6,208
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2020	130	6,078	6,208
Additions	-	-	-
Disposals	(130)	-	(130)
As at March 31, 2021	-	6,078	6,078
Amortization			
As at April 1, 2019	130	1,091	1,221
Amortization for the year	-	488	488
Disposals	-	-	-
Impairment *	-	3,599	3,599
As at March 31, 2020	130	5,178	5,308
Amortization for the year	-	125	125
Disposals	(130)	-	(130)
As at March 31, 2021	-	5,303	5,303
Net block			
As at March 31, 2020	-	900	900
As at March 31, 2021	-	775	775

*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 carried out the annual impairment exercise as at December 31, 2019 in respect of its intangible assets and basis valuation carried out by an external expert had made an impairment provision of ₹ 3,599 Lakhs towards carrying value of intangible asset. As at March 31, 2021, the management has reassessed its projections and assumptions and has concluded that, the carrying value of it's intangible asset is appropriate.

5. Investments

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Investments carried at cost		
A. Investments in equity shares of wholly owned subsidiaries (unquoted equity instruments)		
100 (March 31, 2020: 100) equity shares fully paid-up, no-par value, in Subex Americas Inc. [Impairment on investment ₹ 76,560 Lakhs (March 31, 2020: ₹ 76,560 Lakhs)]*	936	936
4,999,991 (March 31, 2020: 4,999,991) equity shares of ₹ 10 each fully paid-up in Subex Technologies Limited [Impairment on investment ₹ 500 Lakhs (March 31, 2020: ₹ 500 Lakhs)]	-	-
	936	936
B. Investments in limited liability partnership firms (refer note 21)		
Investment in Subex Assurance LLP [Impairment on investment ₹ 16,808 Lakhs (March 31, 2020: ₹ 16,808 Lakhs)]*	44,756	44,756
Investment in Subex Digital LLP*	1,869	1,869
	46,625	46,625
Total Investments carried at cost (A+B)	47,561	47,561

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

5. Investments (contd.)

(₹ in Lakhs)

Aggregate amount of unquoted investments in subsidiaries	1,41,429	1,41,429
Aggregate amount of impairment on investments	93,868	93,868
	47,561	47,561

*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, 2019 in respect of its investment in subsidiary and basis valuation carried out by an external expert had made an impairment provision of ₹ 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 it's investments in its subsidiaries is appropriate.

6. Loans

Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Loan receivable		
Unsecured, considered good		
Security deposit	14	38
Loan receivable - credit impaired		
Loans to related parties	1,706	1,706
	1,720	1,744
Impairment Allowance for loan receivable		
Loan Receivables - credit impaired		
Loans to related parties	(1,706)	(1,706)
Total	14	38
Current		
Unsecured, considered good		
Loans and advances to employees	26	7
Total	26	7

7. Trade receivables*

Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Trade receivables from related parties	1,768	500
Trade receivables from other than related parties	416	415
Unsecured, credit impaired		
Trade receivables from related parties	1,874	1,874
Trade receivables from other than related parties	365	388
Total (a)	4,423	3,177
Impairment allowance (allowance for expected credit loss)		
Receivable from related parties, credit impaired	(1,874)	(1,874)
Receivables from other than related parties, credit impaired	(365)	(388)
Total (b)	(2,239)	(2,262)
Net Trade Receivables (a-b)	2,184	915

*Includes dues from related parties. Refer note 30.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

8. Cash and cash equivalents

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Current		
Balance with banks		
In current accounts	137	72
Deposits with original maturity of less than 3 months	260	320
Earmarked balances with banks being unpaid dividend accounts*^	-	-
	397	**392**

^Represents ₹ 6,159 of unpaid dividend which is presented as Nil due to rounding off.

* These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities.

For the purpose of the standalone statement of cash flows, cash and cash equivalents comprises of current portion of cash and cash equivalents as above.

9. Other financial assets

Unsecured, considered good

Carried at amortized cost (₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Current		
Share of profit in excess of drawings from Subex Assurance LLP	3,900	1,871
	3,900	1,871

10. Income tax assets (net)

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Advance income-tax [net of provision for taxation ₹ 995 Lakhs (March 31, 2020: ₹ 995 Lakhs)]	2,900	2,900
	2,900	2,900

11. Deferred tax asset

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Non-Current		
Minimum alternative tax ('MAT') credit entitlement	425	425
Less: Provision for MAT credit*	(425)	(425)
	-	-

*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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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12. Other assets

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Balance with statutory/ government authorities *	267	267
Less: Provision for service tax receivable	(267)	-
	-	267
Current		
Balance with statutory/ government authorities	9	8
Advance recoverable in cash or kind		
Prepaid expenses	6	4
Advance to suppliers	48	8
	63	20

* Balances represents service tax inadvertently paid by the Company during the financial years 2004 to 2008, under reverse charge mechanism, for which refund application has been filed with the service tax department and the same was under dispute. During the year ended March 31, 2021, the Company has made provision of ₹ 267 Lakhs considering the uncertainty as regards to its realisation.

13. Share capital

Authorised share capital	No.	₹ in Lakhs
Equity shares of ₹ 5 each w.e.f September 29, 2020 and ₹ 10 each upto September 28, 2020*		
As at April 1, 2019	58,80,40,000	58,804
Increase during the year	-	-
As at March 31, 2020	58,80,40,000	58,804
Increase during the year	-	-
Increase pursuant to Capital reduction order*	58,80,40,000	-
As at March 31, 2021	**1,17,60,80,000**	**58,804**
Preference shares of ₹ 98 each		
As at April 1, 2019	2,00,000	196
Increase during the year	-	-
As at March 31, 2020	2,00,000	196
Increase during the year	-	-
As at March 31, 2021	2,00,000	196
Issued, subscribed and fully paid-up share capital		
Equity shares of ₹ 5 each w.e.f September 29, 2020 and ₹ 10 each upto September 28, 2020*^		
As at April 1, 2019	56,20,02,935	56,200
Issued during the year	-	-
As at March 31, 2020	56,20,02,935	56,200
Issued during the year	-	-
Adjustment pursuant to Capital reduction order*	-	(28,100)
As at March 31, 2021	56,20,02,935	28,100

* 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.

^ includes 243,207 (March 31, 2020: 243,207) shares in respect of which Global Depository Receipts of the Company are listed on London Stock Exchange.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

13. Share capital (contd.)

a) **Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹ 5 per share w.e.f September 29, 2020 and ₹ 10 per share upto September 28, 2020. Each holder of equity shares is entitled to one vote per share and such amount of dividend per share as declared by the Company. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) As at March 31, 2021 and as at March 31, 2020, there is no individual shareholder or shareholder (together with 'Persons acting in concert') holding more than 5% shares of the Company.

c) **Shares reserved for issue under options (No.)**

	As at March 31, 2021	As at March 31, 2020
Outstanding employee stock options under below schemes granted/ available for grant (refer note 33):		
ESOP - V	1,98,71,500	2,19,75,000
	1,98,71,500	2,19,75,000

d) **Number of treasury shares outstanding**

	As at March 31, 2021	As at March 31, 2020
Balance as per last financial statements	2,19,75,000	1,12,00,000
Add: Additions during the year	2,50,000	1,12,00,000
Less: Exercise during the year	(23,53,500)	(4,25,000)
Closing balance	1,98,71,500	2,19,75,000

14. Other equity

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Capital reserve		
Balance as per last financial statements	2,776	2,776
Add: Additions during the year	-	-
Closing balance	2,776	2,776
Securities premium		
Balance as per last financial statements	26,712	26,705
Less: Adjustment pursuant to Capital reduction order	(10,301)	-
Add: On account of exercise of stock options	33	7
Closing balance	16,444	26,712
General reserve		
Balance as per last financial statements	1,780	1,780
Add: On account of vested options lapsed during the year	3	-
Closing balance	1,783	1,780

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

14. Other equity (contd.)

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Employee stock options reserve		
Balance as per last financial statements	114	17
Add: Share based expenses	147	102
Less: On account of exercise of stock options	(26)	(5)
Less: On account of vested options lapsed during the year	(3)	-
Closing balance	232	114
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(36,325)	(15,684)
Add: Profit for the year	2,622	(20,588)
Add: Adjustment pursuant to Capital reduction order	38,401	-
Less: Effect of adoption of Ind AS-116 Leases	-	(32)
Less: OCI - Re-measurement loss on defined benefit obligations	-	(21)
Less: Interim dividend [refer 14(a)]	(2,746)	-
Closing balance	1,952	(36,325)
Treasury Shares		
Balance as per last financial statements	(1,233)	(645)
Less: Equity shares purchased by Subex Employee Welfare and ESOP Benefit Trust	(22)	(611)
Add: On account of exercise of stock options	134	23
Closing balance	(1,121)	(1,233)
Summary of other equity:		
Capital Reserve The Company recognises profit and loss on transfer of business on account of restructuring to capital reserve.	2,776	2,776
Securities premium account Securities premium is used to record the premium on issue of shares and profit and loss on exercise of stock options held as treasury shares (refer note 33). The reserve shall be utilised in accordance with the provisions of section 52 of the Companies Act, 2013.	16,444	26,712
General reserve This represents appropriation of profit by the Company. Also, the amounts recorded in share options outstanding account are transferred to general reserve on account of lapse of vested stock options.	1,783	1,780
Employee stock options reserve The employee stock option reserve is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to reserves upon exercise of stock options by employees.	232	114
Surplus/ (deficit) in the statement of profit and loss This represents surplus/ (deficit) arising from operations of the Company.	1,952	(36,325)
Treasury Shares This represents own equity shares that are acquired from open market for issuance to employees under ESOP scheme.	(1,121)	(1,233)
Total other equity	22,066	(6,176)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

14(a) Distributions made and proposed

During the year ended March 31, 2021, the Board of Directors at its meeting held on February 01, 2021 had declared an interim dividend of ₹ 0.50/- (10 %) per equity share on face value of ₹ 5/- each for the financial year 2020-2021. The interim dividend was paid during the year that resulted in cash outflow of ₹ 2,746 Lakhs.

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 at the Annual General Meeting of the Company and if approved, would result in a cash outflow of approximately ₹ 1,373 Lakhs.

With effect from 1 April 2020, the Dividend Distribution Tax ('DDT') payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

15. Trade payables

Carried at amortized cost (₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Current		
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
	358	286

*Payable to micro enterprises and small enterprises

(₹ in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
a) the principal amount remaining unpaid to any supplier as at the end of accounting year;	3	5
b) interest due thereon remaining unpaid to any supplier as at the end of accounting year;	-	-
c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
d) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

** includes dues to related parties. Refer note 30.

Terms and conditions of the above financial liabilities:
- trade payables are non-interest bearing and are normally settled on 30 - 45 days terms.
- for explanations on the Company's credit risk management, refer note 37.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

16. Other current financial liabilities

Carried at amortized cost (₹ in Lakhs)

Current	As at March 31, 2021	As at March 31, 2020
Share of Loss from Subex Digital LLP	6,395	4,352
Employee related liabilities	512	47
Payable to related parties	2	2
Unclaimed dividend^	-	-
	6,909	4,401

^ Represents ₹ 6,159 of unpaid dividend which is presented as Nil due to rounding off.

17. Other current liabilities

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Unearned revenue	-	1
Statutory dues	99	21
	99	22

18. Provisions

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Provisions for employee benefits		
Gratuity [refer note 34(b) and 42]	116	3
	116	3
Current		
Provisions for employee benefits		
Gratuity [refer note 34(b) and 42]	26	3
Leave benefits [refer note 42]	64	9
	90	12

19. Income tax liabilities (net)

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Current		
Provision for tax [net of advance tax ₹ 3 Lakhs (March 31, 2020: ₹ Nil)]	32	-
Provision for foreign taxes	1	6
Provision for litigation [net of tax deducted at source ₹ 62 Lakhs (March 31, 2020: ₹ 62 Lakhs)]*	102	102
	135	108

* Provision for litigations consists of matters which are sub-judice. There is no movement in the provision during the current and previous year. Refer note 32(i) for further details.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

19. Income tax liabilities (net) (contd.)

Income tax expense in the standalone statement of profit and loss consist of the following:

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Tax expense:		
Provision for MAT credit	-	425
Reversal - foreign withholding taxes*	(6)	(307)
MAT liability	35	-
	29	118

*Represents reversal of provision in respect of foreign withholding taxes deducted/ deductible by the overseas customers of the Company, no longer required.

Reconciliation of tax to the amount computed by applying the statutory income tax rate to the income before tax is summarized below:

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Profit/ (loss) before tax expense	2,651	(20,470)
Applicable tax rates in India	34.94%	34.94%
Computed tax charge (A)	926	(7,153)
Components of tax expense:		
Reversal for foreign withholding taxes (net)	(6)	(307)
Deferred tax asset not recognised on carry forward losses*	-	1,940
Exempt (income)/ expense - share of (profit)/ loss from LLP's	(903)	5,213
Provision for MAT credit	-	425
Impact of disallowable income/ expense	12	-
Total adjustments (B)	(897)	7,271
Total tax expense (A+B)	29	118

*In respect of carry forward losses as at March 31, 2021 and March 31, 2020, no deferred tax asset has been recognized in absence of reasonable certainty that future taxable profit will be available for utilisation since share of profit/loss from LLP is exempt in the hands of the Company.

20. Revenue from operations

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of services	2,714	1,079
Other operating income	202	-
	2,916	1,079
Disaggregation of revenue:		
Revenue by offering		
Sub-contracting services (refer note 30)	1,308	1,079
Support services (refer note 42)	1,406	-
	2,714	1,079

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

21. Share of profit/ (loss) from Limited Liability Partnerships before exceptional items (net)

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Share of profit from Subex Assurance LLP	4,628	3,878
Share of loss from Subex Digital LLP	(2,043)	(1,989)
	2,585	1,889

22. Other income

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Insurance claim	-	155
Interest income on:		
Security deposits	2	3
Bank deposits	7	26
Miscellaneous income	-	18
	9	202

23. Employee benefits expense

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries,wages and bonus (refer note 42)	1,270	574
Contribution to provident and other funds	43	21
Employee share based payments	9	7
Gratuity expense [refer note 34(b)]	10	4
Staff welfare expenses	29	10
	1,361	616

24. Finance cost

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense on Lease liability	14	28
	14	28

25. Depreciation and amortization expense

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	14	8
Depreciation on right-of-use assets	54	66
Amortization of intangible assets	125	488
	193	562

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

26. Other expenses

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Cost of hardware, software and support charges	11	8
Sub-contract charges	36	8
Rent	13	11
Power and fuel	8	15
Repairs and maintenance		
Building	2	6
Others	23	24
Insurance	1	8
Communication costs	14	16
Printing and stationery	-	10
Travelling and conveyance	-	79
Rates and taxes	72	91
Advertisement and business promotion	19	26
Consultancy charges	92	164
Commission to directors	48	-
Payments to auditors [refer note 26(i)]	39	45
Allowance for expected credit loss (net)	(23)	12
Directors sitting fees (refer note 30)	66	50
Bank Charges	1	4
	422	577

26(i). Payments to auditors (excluding goods and services tax):

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
As auditor		
Audit fee	35	35
Tax audit fee	1	1
In other capacity		
Other services (certification services)	2	7
Reimbursement of expenses	1	2
	39	45

27. Leases

During the year ended March 31, 2021, the Company had decided to shift from its earlier corporate office to a new premises in Bengaluru, India. Consequently, on account of the termination of lease agreement and in accordance with Ind AS 116 – 'Lease', the Company had written-off the amortized value of existing right-of-use asset of ₹ 195 Lakhs and Lease liability of ₹ 223 Lakhs determined till the completion of notice period and vacation of existing premises, and has recognized a net gain of ₹ 36 Lakhs as Exceptional Item.

On account of entering into the new lease agreement, the Company recognised a right-of-use asset of ₹ 50 Lakhs and lease liability of ₹ 48 Lakhs. The average incremental borrowing rate of 8.35% has been applied to lease liabilities recognised in the balance sheet at the date of commencement of the new lease.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

27. Leases (contd.)

The details of the right-of-use asset held by the Company is as follows:

(₹ in Lakhs)

	Buildings	Total
Gross Carrying Value		
As at April 1, 2019	311	311
Additions	-	-
Disposals	-	-
As at March 31, 2020	311	311
Additions	50	50
Disposals on termination of lease agreement	(311)	(311)
As at March 31, 2021	50	50
Accumulated Depreciation		
As at April 1, 2019		
Charge for the year	66	66
Disposals	-	-
As at March 31, 2020	66	66
Charge for the year	54	54
Disposals on termination of lease agreement	(116)	(116)
As at March 31, 2021	4	4
Net block		
As at March 31, 2020	245	245
As at March 31, 2021	46	46

The Company incurred ₹ 13 Lakhs for the year ended March 31, 2021 (March 31, 2020: ₹ 11 Lakhs) towards expenses relating to short-term leases and leases of low-value assets.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	272	326
Additions	48	-
Interest on lease liabilities	14	28
Payments	(65)	(82)
On account of lease modification	(223)	-
Closing balance	46	272
Current	11	82
Non-current	35	190

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

27. Leases (contd)

The following are the amounts recognised in statement of profit and loss:

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of right-of-use assets	54	66
Interest expense on lease liabilities	14	28
Expense relating to short-term leases (included in other expenses)	13	11
Gain on termination of lease agreement *	(36)	-
Total amount recognised in statement of profit and loss	45	105

*Represents gain arising on termination of the lease agreement of existing office premises in India.

The Company had total cash outflows for leases of ₹ 65 Lakhs for the year ended March 31, 2021 (March 31, 2020: ₹ 82 Lakhs). There are no future cash outflows relating to leases that have not yet commenced.

28. Earnings/ (loss) per share

Basic earnings/ (loss) per share (EPS) amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Computation of basic and diluted EPS:

	Year ended March 31, 2021	Year ended March 31, 2020
Nominal value per equity share (₹ 5/- each w.e.f September 29, 2020 and ₹ 10 upto September 28, 2020)	5	10
Profit/(loss) attributable to equity shareholders (₹ in Lakhs)	2,622	(20,588)
Weighted average number of equity shares (No. in Lakhs)*		
Basic	5,406	5,452
Diluted	5,513	5,452
Earnings/(loss) per share (₹ per share)**		
Basic	0.49	(3.78)
Diluted	0.48	(3.78)

*The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the year.

**Employee stock options outstanding as at March 31, 2021 are dilutive (March 31, 2020: anti-dilutive) and accordingly have been considered for the purpose of computing dilutive EPS.

29. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses the financial performance and position of the Company. The Chief Executive Officer has been identified as the chief operating decision maker.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

29. Segment reporting (contd)

are considered to constitute one segment and hence the Company has not made any additional segment disclosures. The Company's operations spans across the world and are categorized geographically as (a) Americas, (b) EMEA (c) India and (d) APAC. 'Americas' comprises the Company's operations in North America, South America and Canada. 'EMEA' comprises the Company's operations in Europe, Middle East and APAC comprises of the Company's operations majorly in Singapore, Australia and Bangladesh. Customer relationships are driven based on customer domicile.

Segment revenue by geographical location are as follows*:

(₹ in Lakhs)

Region	Year ended March 31, 2021	Year ended March 31, 2020
Americas	430	424
EMEA	202	-
India	1,406	-
APAC	878	655
	2,916	1,079

* Revenues by geographic area are based on the geographical location of the customer.

No external customer individually accounted for more than 10% of the total revenue of the Company during the years ended March 31, 2021 and March 31, 2020. Revenue from its subsidiaries accounts for more than 10% of the total revenues of the Company (refer note 30).

Non-current operating assets by geographical location are as follows:**

(₹ in Lakhs)

Region	As at March 31, 2021	As at March 31, 2020
India	874	1,424
Outside India	-	-
Total non-current operating assets	874	1,424

** Non-current operating assets includes Property, plant and equipment, Right-of-use assets, Other intangible assets and Balance with statutory/ government authorities and Prepaid expenses.

30. Related party transactions

i. **Related parties where control exists**

Wholly owned subsidiaries

Subex Americas Inc.

Subex (UK) Limited

Subex Technologies Limited

Subex Azure Holdings Inc.

Subex (Asia Pacific) Pte. Limited

Subex Inc.

Subex Middle East (FZE)

Subex Assurance LLP

Subex Digital LLP

Subex Bangladesh Private Limited

Trust which is consolidated

Subex Employee Welfare and ESOP Benefit Trust

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

30. Related party transactions (contd.)

ii. Related parties under Ind AS 24 and Companies Act, 2013

Key management personnel

Anil Singhvi	Chairman, Non-Executive & Non-Independent Director (w.e.f June 18, 2020)
	Chairman & Independent Director (upto June 17, 2020)
Nisha Dutt	Independent Director
Poornima Kamalaksh Prabhu	Independent Director
George Zacharias	Independent Director (w.e.f. May 13, 2019)
Vinod Kumar Padmanabhan	Managing Director & Chief Executive Officer
Shiva Shankar Naga Roddam	Whole-time Director & Chief Operating Officer (w.e.f February 7, 2020)
Venkatraman G S	Chief Financial Officer & Senior Vice President
G V Krishnakanth	Company Secretary & Compliance Officer

iii. Details of the transactions with the related parties during the year ended March 31, 2021:

A. Transactions with wholly owned subsidiaries

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Income from software development, subcontracting and support services:		
Subex Inc.	430	424
Subex (Asia Pacific) Pte. Limited	878	655
Subex Assurance LLP (refer note 42)	1,331	-
Subex Digital LLP (refer note 42)	75	-
	2,714	1,079
Marketing and support charges:		
Subex Inc.	516	528
Subex (Asia Pacific) Pte. Limited	-	2
Subex Assurance LLP (refer note 42)	131	-
Subex Digital LLP (refer note 42)	4	-
	651	530
Employee Stock Option expenses allocated to:		
Subex Assurance LLP	121	84
Subex Digital LLP	17	10
	138	94
Reimbursement of expenses incurred by Subex Limited on behalf of its subsidiaries:		
Subex (UK) Limited	1	-
Subex Assurance LLP	56	106
Subex Digital LLP	3	10
Subex (Asia Pacific) Pte. Limited	18	16
	78	132
Reimbursement of expenses incurred by the subsidiaries on behalf of Subex Limited:		
Subex Assurance LLP	48	17
Subex (Asia Pacific) Pte. Limited	3	15
Subex (UK) Limited	-	1
Subex Inc.	1	1
	52	34

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

30. Related party transactions (contd.)

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Drawings during the year from Limited Liability Partnership:		
Subex Assurance LLP	2,600	1,772
	2,600	1,772
Advance repaid by Trust		
Subex Assurance LLP	2	-
	2	-
Share of profit/ (loss) from Limited Liability Partnerships before exceptional items :		
Subex Assurance LLP	4,628	3,878
Subex Digital LLP	(2,043)	(1,989)
	2,585	1,889
Share of profit/(loss) from Subex Assurance LLP on account of :		
Impairment of intangible assets and Investment in subsidiary	-	(16,808)
	-	(16,808)
Net liabilities transferred from (refer note 42):		
Subex Assurance LLP	445	-
Subex Digital LLP	21	-
	466	-

B. Transactions with key managerial personnel

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Salary and perquisites*		
Vinod Kumar Padmanabhan **	57	57
Venkatraman G S **	113	67
G V Krishnakanth **	46	50
Shiva Shankar Roddam**^	17	-
	233	174
Dividend paid		
Vinod Kumar Padmanabhan	2	-
Venkatraman G S	2	-
Shiva Shankar Roddam	1	-
	5	-
Director sitting fees		
Anil Singhvi	20	19
Nisha Dutt	16	10
Poornima Prabhu	19	17
George Zacharias	11	4
	66	50

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

30. Related party transactions (contd.)

	Year ended March 31, 2021	Year ended March 31, 2020
Commission payable***		
Anil Singhvi	12	-
Nisha Dutt	12	-
Poornima Prabhu	12	-
George Zacharias	12	-
	48	-

* The remuneration to the key managerial personnel does not include the provision/ accruals made on best estimate basis as they are determined for the Company as a whole.

** During the year ended March 31, 2021, the Company has granted Nil ESOPs (March 31, 2020 : 4,00,000 ESOPs) to certain key management personnel under ESOP 2018 scheme. Of the aforesaid ESOPs, 3,60,000 (March 31, 2020 : Nil) options has been exercised during the year ended March 31, 2021. Refer note 33.

^ The Board at its meeting held on February 01, 2021, changed the employment agreement of Mr. Shiva Shankar Naga Roddam from Subex Assurance LLP to Subex Limited which is subject to the approval of the members at the Annual General Meeting of the Company.

*** Commission payable to Independent Directors and Non-Executive Director is subject to the approval of shareholders at the Annual General Meeting of the Company.

iv. Details of balances receivable from and payable to related parties are as follows:

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Balances receivable from and payable to wholly owned subsidiaries		
Trade receivables		
Subex Americas Inc. [Net of provision of ₹ 1,841 Lakhs (March 31, 2020: ₹ 1,841 Lakhs)]	-	-
Subex Inc.	250	182
Subex (Asia Pacific) Pte. Limited [Net of provision of ₹ 33 Lakhs (March 31, 2020: ₹ 33 Lakhs)]	65	259
Subex Assurance LLP	1,372	46
Subex UK Limited	1	-
Subex Digital LLP	80	13
	1,768	500
Trade payables		
Subex (UK) Limited	-	1
Subex Inc.	87	181
Subex (Asia Pacific) Pte. Limited	3	15
Subex Digital LLP	4	-
Subex Assurance LLP	150	1
	244	198
Loans receivable		
Subex Technologies Limited [Net of provision of ₹ 1,706 Lakhs (March 31, 2020: ₹ 1,706 Lakhs)]	-	-
	-	-
Current financial assets		
Share of profit from investment in Subex Assurance LLP	3,900	1,871
	3,900	1,871

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

30. Related party transactions (contd.)

	As at March 31, 2021	As at March 31, 2020
Current financial liabilities		
Share of loss from investment in Subex Digital LLP	6,395	4,352
Payable to related party	2	2
	6,397	4,354

Also, refer note 32(iii) for comfort letter given to subsidiaries.

31. Disclosure as per Regulation 34(3) and Regulation 53(f) read with Para A of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the listing agreement with the Stock Exchanges

Loans and advances given to wholly owned subsidiaries:

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Outstanding Amount	Maximum balance outstanding during the year	Outstanding Amount	Maximum balance outstanding during the year
Subex Technologies Limited*	1,706	1,706	1,706	1,706
	1,706		1,706	

* Loans and advances to Subex Technologies Limited is provided for as at March 31, 2021: ₹ 1,706 Lakhs (March 31, 2020: ₹ 1,706 Lakhs).

32. Contingent liabilities

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Income tax demands [refer note (i)]	2,307	2,317
Service tax demands [refer note (ii)]	3,687	3,687

i. Income tax

The Company has received assessment orders in respect of each of the financial years 2010-11, 2013-14 and 2014-15, wherein certain adjustments were made to the taxable income in relation to various matters including adjustments in respect of transfer pricing under section 92CA of the Income Tax Act, 1961 and disallowances of certain expenditures. These demands are disputed by the management and the Company has filed appeals against these orders with various appellate authorities. The management, including its tax experts/ advisors, are of the view that the prices determined by it are at arm's length, expenditures are deductible based on outcome of previous litigations, and is confident that its position will likely be upheld on ultimate resolution and will not have material adverse effect on the Company's financial position and results of operations. With respect to the demands of Subex Limited, the Company has paid ₹ 995 lakhs.

ii. Service tax

The Company has received demand order towards the service tax on import of certain services and equivalent amount of penalties under the provisions of the Finance Act, 1994 along with the consequential interest during the period April 2006 to July 2009. These demands are disputed by the management and the Company has filed appeals against these orders with various appellate authorities. The management is of the view that the service tax is not applicable on those import of services, and is confident that the demands raised by the Assessing Officers are not tenable under law.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

32. Contingent Liabilities (contd.)

iii. The Company has issued comfort letter to provide continued financial support to its subsidiaries viz., Subex Americas Inc. and Subex Digital LLP.

33. Employee stock options plans ('ESOPs')

The Company during the year 2005-2006 had established equity settled ESOP schemes of ESOP III. As per the schemes, the Compensation Committee grants the options to the employees deemed eligible by the Advisory Board constituted for the purpose. The options are granted at a price, which is not less than 85% of the average market price of the underlying shares based on the quotation on the Stock Exchange where the highest volume of shares are traded for 15 days prior to the date of grant. The shares granted vest over a period of 1 to 4 years and can be exercised over a maximum period of 3 years from the date of vesting.

During the year 2018-2019, the Board of Directors and the shareholders of the Company approved "Subex Employees Stock Option Scheme – 2018" (referred to as the "ESOP Scheme 2018" or "ESOP - V") to be administered through Subex Employee Welfare and ESOP Benefit Trust (referred to as the "ESOP Trust"). The ESOP Trust is authorised to acquire shares of the Company through secondary market for providing such share-based payments to its employees. The ESOP Trust is consolidated in the standalone financial results of the Company and the shares reacquired and held by ESOP Trust are treated as treasury shares recognised at cost and deducted from other equity. The ESOP trust held 1,98,71,500 and 2,19,75,000 treasury shares as at March 31, 2021 and March 31, 2020, respectively.

The Nomination and Remuneration Committee of the Company in their meeting held on February 1, 2021 granted options 12,40,500 (March 31, 2020: 1,28,00,000) under approved ESOP V scheme to the eligible employees. The shares granted vest over a period of 1 to 2 years and can be exercised over a maximum period of 2 years from the date of vesting.

Employees stock options details as on the balance sheet date are:

	2020-21		2019-20	
	Options (no.)	Weighted average exercise price per stock option (₹)	Options (no.)	Weighted average exercise price per stock option (₹)
Options outstanding at the beginning of the year				
ESOP – III	-	-	6,125	13.74
ESOP – V	2,19,75,000	6.00	1,06,50,000	6.00
Exercised during the year				
ESOP – III	-	-	-	-
ESOP – V	23,53,500	6.00	4,25,000	6.00
Granted during the year				
ESOP – III	-	-	-	-
ESOP – V	12,40,500	18.00	1,28,00,000	6.00
Forfeited and expired during the year				
ESOP – III	-	-	6,125	13.74
ESOP – V	9,90,500	6.00	10,50,000	6.00
Options outstanding at the end of the year				
ESOP – III	-	-	-	-
ESOP – V	1,98,71,500	6.75	2,19,75,000	6.00
Options exercisable at the end of the year				
ESOP – III	-	-	-	-
ESOP – V	1,19,24,750	6.00	43,75,000	6.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

33. Employee stock options plans ('ESOPs') (contd.)

Details of weighted average remaining contractual life and range of exercise prices for the options outstanding at the balance sheet date:

Particulars	Weighted average remaining contractual life(years)*		Range of exercise prices (₹)	
	2020-21	2019-20	2020-21	2019-20
ESOP – III	-	-	-	-
ESOP – V	2.16	2.94	6.00-18.00	6.00

* considering vesting and exercise period

Fair value methodology

The key assumptions used in Black-Scholes model for calculating fair value of ESOP V during the year is as below:

Particulars	March 31, 2021	March 31, 2020
Risk-free interest rate	6.12%	6.70%
Expected volatility of share	72.08%	41.00%
Expected life(years)	2	2
Dividend yield	1.88%	-
Exercise Price	18.00	6.00
Weighted average fair value as on grant date (₹)	12.64	1.23

The expected life of stock options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

34. Employee benefit plans

a) Provident fund

The Company makes contributions for qualifying employees to Provident Fund which is defined contribution plan. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 41 Lakhs (March 31, 2020: ₹ 20 Lakhs) for Provident Fund contributions.

b) Gratuity

The Company offers Gratuity benefits to employees, a defined benefit plan. Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables set out the status of the gratuity plan:

Disclosure as per Ind AS 19

(₹ in Lakhs)

		As at March 31, 2021	As at March 31, 2020
A.	Change in defined benefit obligation		
	Obligations at beginning of the year	25	20
	Liability transfer [refer note 42]	151	-
	Service cost	10	4
	Interest cost	1	1
	Benefits settled	(10)	(21)
	Actuarial loss (through OCI)	1	21
	Obligations at end of the year	178	25

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

34. Employee benefit plans (contd.)

B.	Change in plan assets		
	Plan assets at beginning of the year, at fair value	19	19
	Expected return on plan assets	1	1
	Actuarial gain (through OCI)	1	-
	Contributions	25	20
	Benefits settled	(10)	(21)
	Plan assets at the end of the year	**36**	**19**
	Present value of defined benefit obligation at the end of the year	(178)	(25)
	Fair value of plan assets at the end of the year	36	19
C.	Net liability recognised in the standalone balance sheet	(142)	(6)

(₹ in Lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
D.	Expenses recognised in the standalone statement of profit and loss:		
	Service cost	10	4
	Net gratuity cost	10	4
E.	Re-measurement gains/ (losses) in OCI		
	Actuarial (loss)/ gain due to financial assumption changes	2	-
	Actuarial (loss)/ gain due to experience adjustments	(3)	(21)
	Actuarial (loss)/ gain - return on plan assets greater than discount rate	1	-
	Total expenses recognised through OCI	-	(21)
F.	Assumptions		
	Discount rate	5.79%	6.41%
	Expected return on plan assets	6.41%	7.30%
	Salary escalation*	6.00%	7.00%
	Attrition rate	18.00%	18.00%
	Retirement age	60 years	60 years

Assumptions regarding future mortality experience are set in accordance with the published statistics by Indian Assured Lives Mortality (2012-14) [March 31, 2020: Indian Assured Lives Mortality (2012-14)].

* The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors, benefit obligation such as supply and demand in the employment market.

(₹ in Lakhs)

		As at March 31, 2021	As at March 31, 2020
G.	Five years pay-outs		
	Year 1	26	3
	Year 2	26	3
	Year 3	24	3
	Year 4	22	3
	Year 5	20	3
	After 5th Year	119	20
H.	Contribution likely to be made for the next one year	26	3

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

34. Employee benefit plans (contd.)

I. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at March 31, 2021	As at March 31, 2020
Investment with insurer	100%	100%

J. Sensitivity analysis (₹ in Lakhs)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Effect of change in discount rate	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation increase/ (decrease)	(3.74)	3.91	(0.57)	0.60
Effect of change in salary	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation increase/ (decrease)	7.02	(6.63)	1.19	(1.11)
Effect of change in withdrawal assumption	5% increase	5% decrease	5% increase	5% decrease
Impact on defined benefit obligation increase/ (decrease)	(3.29)	3.33	(0.84)	(1.01)

K. The average duration of the defined benefit plan obligation at the end of the reporting period of gratuity is 5 years (March 31, 2020: 6 years).

35. Capital management

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company does not have any long term debts hence there is no capital gearing ratio. Surplus fund has been invested into risk free highly liquid financial instruments.

36. Fair value hierarchy

The carrying value of financial instruments by categories is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets measured at amortized cost		
Share of profit in excess of drawings from Subex Assurance LLP*	3,900	1,871
Trade receivables*	2,184	915
Security deposits^	14	38
Loans and advances to employees*	26	7
	6,124	2,831
Cash and cash equivalents and other balances with banks		
Balance with banks	397	392
Earmarked balances with banks being unpaid dividend accounts#	-	-
	397	392
Financial liabilities measured at amortized cost		
Employee related liabilities*	512	47

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

36. Fair value hierarchy (contd.)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables*	358	286
Payable to related party*	2	2
Share of Loss from investment in Subex Digital LLP*	6,395	4,352
Lease Liabilities^	46	272
	7,313	4,959

* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature. Accordingly, these are classified as level 3 of fair value hierarchy.

^ The fair value of these accounts was calculated based on cash flow discounted using a current lending/ borrowing rate, they are classified as level 3 fair value hierarchy due to inclusion of unobservable inputs including counterparty credit risk.

Represents ₹ 6,159 of unpaid dividend which is presented as Nil due to rounding off.

37. Financial risk management

The Company's activities expose it to the following risks:

i. Credit risk

ii. Interest rate risk

iii. Liquidity risk

iv. Market risk

i. Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks, investments, foreign exchange transactions and other financial instruments.

a. Trade receivables

Credit risk is managed by each business unit as per the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

b. Credit risk exposure

The Company's credit period generally ranges from 30 - 180 days. The credit risk exposure of the Company is as below:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	2,184	915
Total	2,184	915

The movement in credit loss allowance on customer balance is as follows :

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Opening balance	2,262	2,255
Add/ (less): (Reversal)/ provision during the year	(15)	12
Less: Bad-debts written-off	-	(18)
Add/ (less): Translation difference	(8)	13
Closing balance	2,239	2,262

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

37. Financial risk management (contd.)

c. Other financial assets and deposits with banks

Credit risk is limited, as the Company generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Counter-party credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

ii. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company does not have any debt outstanding as at March 31, 2021 and as at March 31, 2020. Also, the Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

iii. Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The break-up of cash and cash equivalents and deposits is as below:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	397	392
	397	392

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

(₹ in Lakhs)

Particulars	On demand	0-180 Days	181-365 Days	More than 365 Days	Total
As at March 31, 2021					
Trade payables	-	355	3	-	358
Lease Liability*	-	6	6	45	57
Other financial liabilities	-	6,909	-	-	6,909
	-	7,270	9	45	7,324
As at March 31, 2020					
Trade payables	50	232	4	-	286
Lease Liability*	-	41	41	243	325
Other financial liabilities	-	4,401	-	-	4,401
	50	4,674	45	243	5,012

*Includes future cash outflow toward estimated interest on lease liabilities.

iv. Market risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses. The Company has exposures to United States Dollars ('USD'), Singapore Dollars ('SGD'), and other currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities and financing activities.

March 31, 2021

(₹ in Lakhs)

Particulars	Denominated currency			Total
	USD	SGD	Others	
Financial assets				
Trade receivables	463	65	-	528
Total financial assets	463	65	-	528
Financial liabilities				
Trade payables	87	3	-	90
Total financial liabilities	87	3	-	90
Net financial assets/ (liabilities)	376	62	-	438

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

37. Financial risk management (contd.)

March 31, 2020

(₹ in Lakhs)

Particulars	Denominated currency			Total
	USD	SGD	Others	
Financial assets				
Trade receivables	392	259	1	652
Total financial assets	392	259	1	652
Financial liabilities				
Trade payables	182	15	1	198
Total financial liabilities	182	15	1	198
Net financial assets/ (liabilities)	210	244	-	454

Sensitivity analysis

Every 1% appreciation or depreciation in the respective foreign currencies against functional currency of the Company would cause the profit before exceptional items in proportion to revenue of the Company to decrease or increase respectively by 0.15% (March 31, 2020: 0.42%).

38. As per section 135 of The Company's Act, 2013, a Corporate Social Responsibility ('CSR') committee has been formed by Subex Limited. The primary function of the Committee is to assist the Board of Directors in formulating the CSR policy and review the implementation and progress of the same from time to time. The CSR Policy focuses on creating opportunities for the disadvantaged with emphasis on persons with disabilities. During the year ended March 31, 2021, considering losses incurred in past years, the Company does not have the obligation to incur expenses in relation to CSR.

39. The Company has entered into 'International transactions' with 'Associated Enterprises' which are subject to Transfer Pricing regulations in India. The Company is in the process of carrying out transfer pricing study for the year ended March 31, 2021 in this regard, to comply with the requirements of the Income Tax Act, 1961. The Management of the Company, is of the opinion that such transactions with Associated Enterprises are at arm's length and hence in compliance with the aforesaid legislation. Consequently, this will not have any impact on the standalone financial statements, particularly on account of tax expense and that of provision for taxation.

40. 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 is amicably settled.

41. 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 Ind AS financial statements, 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 standalone Ind AS financial statements and the Company will continue to closely monitor any material changes to its assessment of economic impact of COVID- 19 pandemic.

42. 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.

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. Also, due to above re organisation, net liabilities of ₹ 445 Lakhs and ₹ 21 Lakhs has been transferred to the Company from Subex Assurance LLP and Subex Digital LLP respectively.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

43. 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.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru, India
Date: May 17, 2021

For and on behalf of the Board of Directors

Vinod Kumar Padmanabhan
Managing Director & CEO
DIN : 06563872
Place: Bengaluru, India

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Venkatraman G S
Chief Financial Officer
Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

Date: May 17, 2021

FORM AOC 1

(Information in respect of each Subsidiary to be presented with amounts in ₹ Lakhs)

Sl.No	1	2	3	4	5	6	7	8	9
Name of the Subsidiary	Subex (Asia Pacific) Pte. Ltd.	Subex (UK) Ltd.	Subex Americas Inc.	Subex Inc.	Subex Technologies Ltd.***	Subex Middle East (FZE)	Subex Bangladesh Pvt Ltd.	Subex Assurance LLP	Subex Digital LLP
Reporting Period of the Subsidiary Concerned	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
Reporting Curency	SGD	GBP	USD	USD	INR	AED	BDT	INR	INR
Exchange Rate as on the last date of relevant financial year in the case of foreign subsidiaries	54.35	100.75	73.11	73.11	1	19.91	0.84	1	1
Share Capital/ Partners Capital	3,986	41	49,806	-	500	27	-	48,655	(4,526)
Reserve & Surplus	(3,490)	7,898	(50,138)	(1,643)	(485)	42	(49)	-	-
Total Assets	2,276	12,773	704	2,548	79	2,934	867	59,269	1,639
Total Liabilities	1,780	4,834	1,037	4,190	64	2,865	917	10,614	6,165
Investments	-	4,482	-	-	-	-	-	20,691	-
Turnover*	3,892	20,881	1,024	9,346	-	2,374	266	32,697	1,401
Profit/ (loss) before Taxation	(262)	2,835	33	597	(4)	120	8	6,675	(2,043)
Profit/ (loss) after Taxation	(347)	2,487	(10)	534	(4)	(67)	(57)	4,628	(2,043)
Proposed Dividend	-	-	-	-	-	-	-	-	-
%of Shareholding**	100%	100%	100%	100%	100%	100%	100%	100%	100%
Date of Acquisition/ Incorporation	"June 23, 2006"	"June 23, 2006"	"April 1, 2007"	"June 23, 2006"	"March 28, 2005"	"March 25, 2015"	"February 13, 2020"	"April 05, 2017"	"April 05, 2017"

* Turnover Includes Intercompany Transactions.

**Including % of holding either directly or indirectly through subsidiaries.

*** Represents non-operating Company.

For and on behalf of the Board of Directors

Vinod Kumar Padmanabhan
Managing Director & CEO

DIN : 06563872
Place: Bengaluru, India

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director

DIN : 00239589
Place: Mumbai, India

Venkatraman G S
Chief Financial Officer
Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

Date: May 17, 2021

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Subex Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Subex Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss, including other comprehensive income/(loss), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, their consolidated profit including other comprehensive income/(loss), their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs),as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition(as described in note 22 of the consolidated Ind AS financial statements)	
The Group derives its revenue primarily from sale, implementation and customization of its proprietary license and related managed/support services. Revenue from contracts with customers is recognized by the Group in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers ("Ind AS 115"), which involves certain key judgements relating to identification of distinct performance obligations, determination of the transaction price, allocation of transaction price to the identified performance obligations especially to license fees, the appropriateness of the basis used to measure revenue recognized over time or at a point in time.Accordingly, revenue recognition has been identified as a key audit matter.	Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as follows: (i) We evaluated the design of internal controls and tested the operating effectiveness of the internal control over revenue recognition; (ii) We performed following procedures on a sample of revenue contracts, selected on a test check basis: • Read and identified the distinct performance obligations in these contracts and compared these performance obligations with those identified and recorded; • Read the terms of the contracts and tested the determination of the transaction price including any variable consideration. Also, tested management's evaluation of the stand-alone selling price for each performance obligation; • Tested the basis used by the management to measure revenue recognized over time or at a point in time as per the requirements of Ind AS 115;

	(iii) Tested evidence of license delivery and customer acceptance and performed cut-off procedures; (iv) In respect of fixed price contracts, we assessed the efforts incurred with estimated efforts to identify significant variations and reasons and to test whether those variations have been considered in estimating the remaining efforts to complete the contract; and (v) We assessed the disclosures in the consolidated Ind AS financial statements.
Impairment assessment of Goodwill (as described in note 5 of the consolidated Ind AS financial statements)	
As at March 31, 2021, the Group's net goodwill balance amounts to ₹ 34,409 lakhs pertaining to two cash generating units ('CGUs') ie: Revenue Management Solutions ('RMS') and Data Integrity Management ('DIM'). To assess if there is an impairment of the carrying value of goodwill, management conducts impairment tests at CGU level to which the goodwill is allocated, annually or whenever changes in circumstances or events indicate that, the carrying amount of such goodwill may not be recoverable. An impairment loss is recognized if the recoverable amount is lower than the carrying value. The recoverable amount of the CGU is estimated by calculating the value in use of the CGU to which goodwill is allocated by discounting future cash flows based on future business plans which are reviewed and approved by the Board of Directors of the Holding Company. This is a key audit matter as the testing of goodwill impairment is complex and involves significant judgement. The key assumptions involved in impairment tests are projected revenue growth, operating margins, discount rates and terminal growth.	Our audit procedures include the following: (i) We evaluated the Group's internal controls over its annual impairment assessment and key assumptions applied such as revenue growth, operating margins, discount rates and terminal growth rates; (ii) We obtained the valuation assessment from the management and assessed the key assumptions used; (iii) We assessed the recoverable value headroom by performing sensitivity testing of key assumptions used; (iv) We tested the arithmetical accuracy of the impairment models used; (v) We discussed potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable; and (vi) We assessed the disclosures made in the consolidated Ind AS financial statements.
Evaluation of key tax matters(as described in note 32 of the consolidated Ind AS financial statements)	
The Group operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including transfer pricing and indirect tax matters. These involve significant judgment by the Group to determine the possible outcome of the uncertain tax positions, consequently having an impacton related accounting and disclosures in the consolidated financial statements, which have been a matter of significance during the audit and hence considered as a key audit matter.	Our audit procedures include the following: (i) We obtained an understanding and assessed the internal control environment relating to the identification, recognition and measurement of provisions for disputes and disclosures of contingent liabilities in relation to tax; (ii) We obtained confirmation from management's expert on ongoing litigations along with risk assessment and assessed the independence, objectivity and competence of the management expert; (iii) We obtained details of tax assessments, demands issued by tax authorities, orders/notices received with respect to other litigations from the management; (iv) We evaluated and challenged assumptions made by the Group in estimating the current and deferred tax balances; (v) We involved tax specialists to review the status of tax assessments and management's position in relation to on-going disputes regarding likelihood assessment of exposure carried out by the management; and (vi) We assessed the adequacy disclosures in the consolidated Ind AS financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including annexures, Business Responsibility Report and Report on Corporate Governance (hereinafter together referred to as "reports"), but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income/(loss), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidatedInd AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidatedInd AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within

the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidatedInd AS financial statements for the financial year ended March 31, 2021and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income/(Loss), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company and its Subsidiary Company incorporated in India as on March 31, 2021, taken on record by the Board of Directors of the Holding Company and its Subsidiary Company incorporated in India, none of the directors of the Holding Company and its Subsidiary Company incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to these consolidated Ind AS financial statements of the Holding Company and its Subsidiary Company incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2021, has been paid / provided by the Holding Company and its Subsidiary Company incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act; and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

  i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidatedInd AS financial statements – Refer Note 32 to the consolidatedInd AS financial statements;

  ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021; and

  iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company incorporated in India during the year ended March 31, 2021.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803
UDIN: 21213803AAAABR4289

Place of Signature: Bengaluru
Date: May 17, 2021

Annexure to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of Subex Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Subex Limited (hereinafter referred to as the "Holding Company")as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its Subsidiary Company(the Holding Company and its Subsidiary Company together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary Company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its Subsidiary Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Consolidated Ind AS Financial Statements

A Company's internal financial control with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its Subsidiary Company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to these consolidated Ind AS financial statements and such internal financial controls with reference to these consolidated Ind AS financial statements were operating effectively as at March 31,2021, based on the internal control over financial reporting criteria established by the Holding Company and its Subsidiary Companyconsidering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803
UDIN: 21213803AAAABR4289

Place of Signature: Bengaluru
Date: May 17, 2021

CONSOLIDATED BALANCE SHEET
as at March 31, 2021

(₹ in Lakhs)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,177	434
Right-of-use assets	28	1,962	4,424
Goodwill on consolidation	5	34,409	34,409
Other intangible assets	4	-	3
Financial assets			
Loans	6	300	533
Other balances with banks	7	39	189
Income tax assets (net)	11	3,479	3,305
Deferred tax assets	12	125	262
Other non-current assets	13	-	267
		41,491	43,826
Current assets			
Financial assets			
Loans	6	220	104
Trade receivables	8	9,215	9,206
Cash and cash equivalents	9	14,294	9,043
Other balances with banks	7	379	67
Other financial assets	10	6,428	5,264
Other current assets	13	639	588
		31,175	24,272
Total assets		72,666	68,098
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	28,100	56,200
Other equity	15	26,755	(4,661)
Total equity		54,855	51,539
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	28	1,575	3,458
Provisions	19	275	355
Deferred tax liabilities (net)	20	6,289	3,774
		8,139	7,587

CONSOLIDATED BALANCE SHEET (contd.)
as at March 31, 2021

(₹ in Lakhs)

	Notes	As at March 31, 2021	As at March 31, 2020
Current liabilities			
Financial liabilities			
Borrowings	41	584	-
Lease Liabilities	28	420	1,409
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	16	66	41
- total outstanding dues of creditors other than micro enterprises and small enterprises	16	1,245	1,605
Other financial liabilities	17	3,045	2,212
Other current liabilities	18	2,935	2,342
Provisions	19	791	649
Income tax liabilities (net)	21	586	714
		9,672	8,972
Total liabilities		17,811	16,559
Total equity and liabilities		72,666	68,098
Corporate information and significant accounting policies	1 & 2		
The accompanying notes are an integral part of the consolidated financial statements			

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru, India
Date: May 17, 2021

For and on behalf of the Board of Directors

Vinod Kumar Padmanabhan
Managing Director & CEO
DIN : 06563872
Place: Bengaluru, India

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Venkatraman G S
Chief Financial Officer
Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

Date: May 17, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2021

(₹ in Lakhs)

		Notes	Year ended March 31, 2021	Year ended March 31, 2020
1	Income			
	Revenue from operations	22	37,203	36,498
	Other income	23	474	563
	Total income		37,677	37,061
2	Expenses			
	Employee benefits expense	24	19,720	17,454
	Finance costs	25	296	477
	Depreciation and amortization expense	26	1,378	1,508
	Exchange fluctuation loss/(gain) (net)		989	(887)
	Other expenses	27	6,644	10,513
	Total expenses		29,027	29,065
3	Profit before exceptional items and tax expense (1-2)		8,650	7,996
4	Exceptional items			
	Gain on termination of lease agreement	28	554	-
	Provision for service tax receivable	13	(267)	
	Impairment of goodwill	5	-	(31,473)
	Provision no longer required written back		-	761
	Provision for claim settlement	42	-	(1,054)
	Total exceptional items		287	(31,766)
5	Net profit/ (loss) before tax expense (3+4)		8,937	(23,770)
6	Tax expense (net):			
	Current tax charge	21	696	117
	Provision for MAT credit	12	-	425
	Provision - foreign withholding taxes (net)	21	399	754
	Deferred tax charge (net)	21	2,670	1,849
			3,765	3,145
7	Net profit/ (loss) for the year (5-6)		5,172	(26,915)
8	Other comprehensive income/ (loss) ('OCI'), net of tax expense			
	Items that will be reclassified subsequently to profit or loss:			
	Net exchange gain on translation of foreign operations		636	5
	Items that will not be reclassified subsequently to profit or loss:			
	Re-measurement loss on defined benefit plans	34	(12)	(34)
	Total comprehensive income/ (loss)		624	(29)
9	Total comprehensive income/ (loss) for the year attributable to equity holders of the Company (7+8)		5,796	(26,944)
10	Earnings/ (loss) per equity share [of ₹ 5/- each w.e.f September 29, 2020 and ₹ 10/- upto September 28, 2020) (March 31, 2020 : ₹ 10)]	29		
	Basic (₹)		0.96	(4.94)
	Diluted (₹)		0.94	(4.94)
	Corporate information and significant accounting policies	1 & 2		
	The accompanying notes are an integral part of the consolidated financial statements			

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru, India
Date: May 17, 2021

For and on behalf of the Board of Directors

Vinod Kumar Padmanabhan
Managing Director & CEO
DIN : 06563872
Place: Bengaluru, India

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Venkatraman G S
Chief Financial Officer
Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

Date: May 17, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

A. Equity share capital (refer note 14):

	No.	₹ in Lakhs
Equity shares of ₹ 5 each w.e.f September 29, 2020 and ₹ 10 each upto September 28, 2020, issued, subscribed and fully paid-up		
As at April 1, 2019	56,20,02,935	56,200
Issued during the year	-	-
As at March 31, 2020	56,20,02,935	56,200
Issued during the year	-	-
Adjustment pursuant to Capital reduction order	-	(28,100)
As at March 31, 2021	56,20,02,935	28,100

B. Other equity (refer note 15):

(₹ in Lakhs)

Particulars	Attributable to equity holders of the Company						
	Reserves and Surplus					OCI	Total
	Securities premium	General reserve	Employee stock options reserve	Surplus/ (deficit) in the statement of profit and loss	Treasury Shares	Exchange reserve on consolidation	
As at April 1, 2019	26,705	1,780	18	7,563	(645)	(12,211)	23,210
Less: Loss for the year	-	-	-	(26,915)	-	-	(26,915)
Less: Transition impact of Ind AS 116 - Leases, net of tax	-	-	-	(442)	-	-	(442)
Less: Other comprehensive income/ (loss)	-	-	-	(34)	-	5	(29)
Less: Equity shares purchased by Subex Employee Welfare and Employee Stock Option Plan ("ESOP") Benefit Trust	-	-	-	-	(611)	-	(611)
Add: Share based expenses (refer note 33)	-	-	101	-	-	-	101
Add/(less): On account of exercise of stock options	7	-	(5)	-	23	-	25
As at March 31, 2020	26,712	1,780	114	(19,828)	(1,233)	(12,206)	(4,661)
Add: Profit for the year	-	-	-	5,172	-	-	5,172
Add/(less): Other comprehensive income/ (loss)	-	-	-	(12)	-	636	624
Less: Equity shares purchased by Subex Employee Welfare and Employee Stock Option Plan ("ESOP") Benefit Trust	-	-	-	-	(22)	-	(22)
Add: Share based expenses (refer note 33)	-	-	147	-	-	-	147
Add/(less): On account of exercise of stock options	33	-	(26)	-	134	-	141
Add/(less): On account of vested options lapsed during the year	-	3	(3)	-	-	-	-
Add/(less): Adjustment pursuant to Capital reduction order (refer note 14)	(10,301)	-	-	38,401	-	-	28,100
Less: Dividends [refer note 15(a)]	-	-	-	(2,746)	-	-	(2,746)
As at March 31, 2021	16,444	1,783	232	20,987	(1,121)	(11,570)	26,755

Corporate information and significant accounting policies (refer notes 1 & 2)

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru, India
Date: May 17, 2021

For and on behalf of the Board of Directors

Vinod Kumar Padmanabhan
Managing Director & CEO
DIN : 06563872
Place: Bengaluru, India

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Venkatraman G S
Chief Financial Officer
Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

Date: May 17, 2021

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended March 31, 2021

(₹ in Lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
(A)	Operating activities		
	Profit/(loss) before tax expense	8,937	(23,770)
	Adjustments to reconcile profit/ (loss) before tax expense to net cash flows:		
	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	147	101
	Gain on termination/ modification of lease agreement	(554)	(6)
	Provision for service tax receivable	267	-
	Provision no longer required written back	-	(761)
	Advance recoverable written-off	-	234
	Impairment of goodwill	-	31,473
	Net foreign exchange differences	721	(744)
	Operating profit before working capital changes	10,661	8,645
	Working capital adjustments:		
	(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)
		10,499	8,081
	Income tax paid (including TDS, net of refund)	(1,404)	(1,457)
	Net cash flows from operating activities	9,095	6,624
(B)	Investing activities		
	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
	Net cash flows used in investing activities	(722)	(430)

CONSOLIDATED STATEMENT OF CASH FLOWS (Contd.)
for the year ended March 31, 2021

(₹ in Lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
(C)	Financing activities		
	Proceeds from exercise of ESOP	141	25
	Proceeds from borrowings (refer note 41)	600	-
	Interest paid	(271)	(452)
	Repayment of Lease liability	(931)	(907)
	Payment of dividends [refer note 15(a)]	(2,746)	-
	Net cash flows used in financing activities	(3,207)	(1,334)
(D)	Net increase in cash and cash equivalents (A+B+C)	5,166	4,860
	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
(E)	Cash and cash equivalents at year end (refer note 9)	14,294	9,043

Corporate information and significant accounting policies (refer notes 1 & 2)

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru, India
Date: May 17, 2021

For and on behalf of the Board of Directors

Vinod Kumar Padmanabhan
Managing Director & CEO
DIN : 06563872
Place: Bengaluru, India

Anil Singhvi
Chairman, Non- Executive &Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Venkatraman G S
Chief Financial Officer
Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

Date: May 17, 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

1. Corporate information

Subex Limited ("the Company" or "Subex" or "holding company" or "parent company") a public limited company incorporated in 1994, is a leading global provider of Operations and Business Support Systems ("OSS/BSS") to communication service providers ("CSPs") worldwide in the Telecom industry.

The Company pioneered the concept of a Revenue Operations Centre ("ROC") – a centralized approach that sustains profitable growth and financial health for the CSPs through coordinated operational control. Subex's product portfolio powers the ROC and its best-in-class solutions enable new service creation, operational transformation, subscriber-centric fulfilment, provisioning automation, data integrity management, revenue assurance, cost management, fraud management and interconnect/ inter-party settlement. Subex also offers a scalable Managed Services Program. The CSPs achieve competitive advantage through Business Optimization and Service Agility and improve their operational efficiency to deliver enhanced service experiences to their subscribers. The Company has its registered office in Bengaluru and operates through its subsidiaries in India, USA, UK, Singapore, Canada, Bangladesh and UAE and branches in USA, UK, Canada, Australia, Italy, UAE and Saudi Arabia.

Effective November 1, 2017, the Company has restructured its business by way of transfer of its Revenue Maximisation Solutions and related businesses ("RMS business") and the Subex Secure and Analytics solutions and related businesses ("Digital business") to its subsidiaries, Subex Assurance LLP ("SA LLP") and Subex Digital LLP ("SD LLP") (together referred to as "LLPs"), respectively, hereinafter referred to as the "Restructuring" to achieve amongst other aspects, segregation of the Company's business into separate verticals to facilitate greater focus on each business vertical, higher operational efficiencies, and to enhance the Company's ability to enter into business specific partnerships and attract strategic investors at respective business levels, with an overall objective of enhancing shareholder value.

These consolidated financial statements for the year ended March 31, 2021 comprise financial statements of Subex Limited and its subsidiaries (collectively hereafter referred to as "the Group").

These consolidated financial statements for the year ended March 31, 2021 are approved by the Board of Directors on May 17, 2021.

Following subsidiaries have been considered in the preparation of the consolidated financial statements:

Name of the subsidiary	Country of incorporation	% of holding and voting power either directly or indirectly through subsidiaries as at	
		March 31, 2021	March 31, 2020
Subex Americas Inc.	Canada	100	100
Subex Inc.	United States of America	100	100
Subex (Asia Pacific) Pte. Limited	Singapore	100	100
Subex (UK) Limited	United Kingdom	100	100
Subex Middle East, FZE	United Arab Emirates	100	100
Subex Technologies Limited *	India	100	100
Subex Azure Holdings Inc. *	United States of America	100	100
Subex Assurance LLP	India	100	100
Subex Digital LLP	India	100	100
Subex Bangladesh Private Limited	Bangladesh	100	100

* Represents non-operating companies.

All the above subsidiaries are under the same management and are engaged in the same principle activities as the holding company.

Subex Limited is the sponsoring entity of Employee Stock Option Plan ('ESOP') trust. Management of the Company can appoint and remove the trustees and provide funding to the trust for buying the shares. Basis assessment by the management, it believes that the ESOP trust is controlled by the Company and accordingly Subex Employee Welfare and ESOP Benefit Trust is consolidated [refer note 2(p) and note 33].

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

2. Significant accounting policies

a. Basis of preparation

The consolidated financial statements of the Group have been prepared and presented in accordance with accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained further in the accounting policies below.

The consolidated financial statements are presented in INR ("₹") and all the values are rounded off to the nearest Lakhs (INR 00,000) except when otherwise indicated.

b. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2021 as disclosed in Note 1. Control exists when the parent has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31, 2021.

Consolidation procedure:

i. Combine like items of assets, liabilities, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the date on which the investment in the subsidiaries were made, is recognised as 'Goodwill' being an intangible asset in the consolidated financial statements and is tested for an impairment on an annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Company, it is recognised as 'Capital Reserve' and shown in 'Other Equity', in the consolidated financial statements. The 'Goodwill' is determined separately for each subsidiary company and such amounts are not set off between different entities.

iii. Eliminate in full intragroup assets and liabilities, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full).

iv. The ESOP Trust is consolidated in the standalone financial statements of the Company and the shares purchased and held by ESOP Trust are treated as treasury shares and recognised at cost and deducted from other equity. Refer note 2(p).

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent company.

c. Use of estimates, assumptions and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the consolidated financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

The Group has considered internal and certain external sources of information including economic forecasts, budgets required

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to meet performance obligations and likely delays on contractual commitments, upto the date of approval of these consolidated Ind AS financial statements, 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 Ind AS financial statement and the Group will continue to closely monitor any material changes to its assessment of economic impact of COVID-19 pandemic.

Key source of estimation of uncertainty as at the date of consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

Revenue recognition

The Group uses the percentage of completion method in accounting for revenue from implementation and customisation projects. Use of the percentage of completion method requires the Group to estimate the completed efforts as a proportion of the total efforts. Efforts have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the year in which such losses become probable based on the expected contract estimates at the reporting date.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognized by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in note 5.

Impairment of financial assets

In accordance with Ind AS 109, the Group assesses impairment of financial assets ('Financial instruments') and recognises expected credit losses, which are measured through a loss allowance.

The Group provides for impairment of trade receivables and unbilled revenue based on assumptions about risk of default and expected timing of collection. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period. Also, refer note 2(j).

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date (refer note 34).

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. These mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair Value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer note 2(l).

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are

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disclosed in note 33.

Taxes

The Group's three major tax jurisdictions are India, the United Kingdom and Bangladesh, though the Group also files tax returns in other foreign jurisdictions. Significant judgments are involved in determining the provision for income taxes and tax credits including the amount expected to be paid or refunded for uncertain tax positions.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Also refer note 2(s) and note 12, note 20 & note 21.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts [Refer to note 2(k)].

d. Current/ non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It holds the liability primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

e. Business combination and goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, Goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually as at March 31 or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

f. Revenue recognition

The Group derives its revenues primarily from sale and implementation of its license and implementation of its proprietary software and managed/ support services.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expect to receive in exchange for those products or services.

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The following specific recognition criteria must also be met before revenue is recognised:

Revenues from licensing arrangements is recognized on transfer of the title in user licenses, except those contracts where transfer of title is dependent upon rendering of significant implementation and other services by the Group, in which case revenue is recognized over the implementation period in accordance with the specific terms of the contracts with clients.

Revenue from implementation and customisation services is recognised using the percentage of completion method. Percentage of completion is determined based on completed efforts against the total estimated efforts, which represent the fair value of services rendered.

Revenue from managed/ support services comprise income from fixed price contracts, time-and-material contracts and annual maintenance contracts. Revenue from fixed price contracts is recognized over the period of the contracts using the percentage of completion method. Revenue from time and material contracts is recognized when the services are rendered in accordance with the terms of contracts. Revenue from annual maintenance contracts is recognised rateably over the period of the contracts.

Revenue from sale of hardware under reseller arrangements is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods to customers.

In case of multiple element arrangements for sale of software license, related implementation and maintenance services, the Group has applied the guidance in Ind AS 115, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements generally meet the criteria for considering the sale of software license, related implementation and maintain services as distinct performance obligation. For allocating the consideration, the Group has measured the revenue in respect of each distinct performance obligation of a transaction at its standalone selling price, in accordance with principles given in Ind AS 115. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group has used a residual method to allocate the arrangement consideration. In these cases the balance of the consideration, after allocating the standalone selling price of undelivered components of a transaction has been allocated to the delivered components for which specific standalone selling price do not exist.

The Group collects Goods and Services tax and other taxes as applicable in the respective tax jurisdictions where the Group operates, on behalf of the government and therefore it is not an economic benefit flowing to the Group. Hence it is excluded from revenue.

Provisions for estimated losses on contracts are recorded in the period in which such losses become probable based on the current contract estimates. 'Unbilled revenue' included in other financial assets represent revenues recognized in excess of amounts billed to clients as at the balance sheet date. 'Unearned revenue' included in other current liabilities represent billings in excess of revenues recognized as at the balance sheet date.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue.

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency. Also, refer note 22.

Interest

Interest income is recognized as it accrues in the consolidated statement of profit and loss using effective interest rate method.

g. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the plant and equipment to its working condition for the intended use and cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss, as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Gains or losses arising from derecognition of the assets are measured as the difference between the net disposal proceeds and the carrying amounts of the assets and are recognized in the consolidated statement of profit and loss when the assets

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are derecognized.

h. Intangible assets (excluding goodwill on consolidation)

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the consolidated statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

i. Depreciation and amortization

Depreciation of property, plant and equipment and amortization of intangible assets with finite useful lives is calculated on a straight-line basis over the useful lives of the assets estimated by the management, basis technical assessment.

The Group has used the following useful lives to provide depreciation on plant and equipment and amortization of intangible assets:

Assets	Useful life
Computer equipment	3 years
Furniture and fixtures	5 years
Vehicles	5 years
Leasehold improvements	5 years
Office equipment	5 years
Computer software	4 years

The residual values, useful lives and methods of depreciation of property, plant and equipment and amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

j. Impairment

Impairment of Financial Assets

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Impairment of non-financial assets

Non-financial assets including Property, plant and equipment, intangible assets and right-of-use asset with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the consolidated statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

k. Leases

The Group assesses at contract inception whether a contract is/ contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee:

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases

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of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer note 2(j) on impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leased assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leased assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases using the modified retrospective method with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). The cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

l. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised when the Group becomes a party to the contract that gives rise to financial assets and liabilities. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value

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through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in the consolidated statement of profit and loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial assets and liabilities

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial asset/ liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement.

The Group uses derivative financial instruments, such as forward currency contracts. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated

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financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

m. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

n. Consolidated statement of cash flows

Cash flows are reported using the indirect method, whereby profit/ (loss) for the period is adjusted for the effects of transactions of a non-cash nature or any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

o. Employee share based payments

The Group measures compensation cost relating to employee stock options plans using the fair valuation method in accordance with Ind AS 102, Share-Based Payment. Compensation expense is amortized over the vesting period of the option on a straight line basis. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model (Black-Scholes valuation model). That cost is recognised, together with a corresponding increase in employee stock options reserves in other equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

p. Treasury shares

The parent Company has formed Subex Employee Welfare and ESOP Benefit Trust (ESOP Trust) for providing share-based payment to its employees. The parent Company treats ESOP Trust as its extension and shares held by ESOP Trust are treated as treasury shares.

Own equity instruments that are purchased (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in reserve. Share options exercised during the reporting period are adjusted with treasury shares.

q. Employee benefits

Employee benefits include provident fund, pension fund, gratuity and compensated absences.

Defined contribution plans

Contributions payable to recognized provident funds and which are defined contribution schemes, are charged to the consolidated statement of profit and loss.

Defined benefit plans

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on projected unit credit method as at the balance sheet date. The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in OCI are not to be subsequently reclassified to the consolidated statement of profit and loss. As required under Ind AS compliant Schedule III, the Group transfers it immediately to 'Surplus/ (deficit) in the statement of profit loss'.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

Short-term employee benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. Compensated absences, which are expected to be utilised within the next 12 months, are treated as short-term employee benefits. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Long-term employee benefits

Compensated absences which are not expected to occur

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within twelve months after the end of the period in which the employees render the related services are treated as long-term employee benefits for measurement purpose. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end, less the fair value of the plan assets out of which the obligations are expected to be settled. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

The Group presents the entire compensated absences balance as a current liability in the consolidated balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

r. Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The functional currency of the Company and its Indian subsidiaries is Indian Rupee whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile. Foreign currency transactions are initially recorded in the functional currency of the Company by applying exchange rates prevailing on the date of the transaction. For practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the consolidated statement of profit and loss.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. The statement of profit and loss have been translated using weighted average exchange rates. The exchange differences arising on translation for consolidation are recognised in OCI as 'Exchange reserve on consolidation'. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated statement of profit and loss.

s. Taxes on income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in other equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in other equity, respectively.

Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred income tax

Deferred income tax is recognised using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets include Minimum Alternative Tax ("MAT") paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of

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set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the consolidated balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

t. Provision and contingencies

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation. If the effect of time value of money is material, provision is discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

u. Cash dividend to the equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. Final dividends on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

v. Earnings/ (loss) per share

Basic earnings/ (loss) per share is computed by dividing the profit/ (loss) after tax attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest (net of any attributable taxes) other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share or increase the net loss per share. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

w. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/ loss amounts are evaluated regularly by the Executive Management in deciding how to allocate resources and in assessing performance. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to the segments on the basis of their relationship to the operating activities of the segment.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under 'unallocated revenue/ expenses/ assets/ liabilities'.

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for the year ended March 31, 2021

3. Property, plant and equipment

(₹ in Lakhs)

	Computer equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Office equipment	Total
Cost						
As at April 1, 2019	2,015	43	2	-	128	2,188
Additions	246	-	-	-	27	273
Disposals	(36)	-	-	-	(4)	(40)
Exchange differences	13	2	-	-	4	19
As at March 31, 2020	2,238	45	2	-	155	2,440
Additions	747	-	-	293	44	1,084
Disposals	(144)	(7)	-	-	(26)	(177)
Exchange differences	11	-	-	-	-	11
As at March 31, 2021	2,852	38	2	293	173	3,358
Depreciation						
As at April 1, 2019	1,526	27	1	-	94	1,648
Charge for the year	359	7	1	-	20	387
Disposals	(36)	-	-	-	(4)	(40)
Exchange differences	7	3	-	-	1	11
As at March 31, 2020	1,856	37	2	-	111	2,006
Charge for the year	313	5	-	10	19	347
Disposals	(143)	(6)	-	-	(25)	(174)
Exchange differences	2	-	-	-	-	2
As at March 31, 2021	2,028	36	2	10	105	2,181
Net block						
As at March 31, 2020	382	8	-	-	44	434
As at March 31, 2021	824	2	-	283	68	1,177

4. Intangible assets

(₹ in Lakhs)

	Computer software	Total
Cost		
As at April 1, 2019	236	236
Additions	-	-
Disposals	(6)	(6)
Exchange differences	2	2
As at March 31, 2020	232	232
Additions	-	-
Disposals	(130)	(130)
Exchange differences	-	-
As at March 31, 2021	102	102

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for the year ended March 31, 2021

4. Intangible assets (Contd.)

(₹ in Lakhs)

	Computer software	Total
Amortization		
As at April 1, 2019	229	229
Amortization for the year	5	5
Disposals	(6)	(6)
Exchange differences	1	1
As at March 31, 2020	229	229
Amortization for the year	3	3
Disposals	(130)	(130)
Exchange differences	-	-
As at March 31, 2021	102	102
Net block		
As at March 31, 2020	3	3
As at March 31, 2021	-	-

5. Goodwill on consolidation

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Carrying value as per last financial statement	34,409	65,882
Less: Impairment of goodwill	-	(31,473)
Carrying value of goodwill	34,409	34,409

Below is the Cash Generating Unit ('CGU') wise break-up of goodwill:

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Revenue Management Solutions ('RMS')	33,444	33,444
Data Integrity Management ('DIM')	965	965
	34,409	34,409

Goodwill impairment testing

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. Based on the above assessment and valuation carried out by an external valuation expert, there has been impairment of goodwill amounting to ₹ 28,712 Lakhs in relation to RMS CGU and ₹ 2,761 Lakhs in relation to DIM CGU towards carrying value of goodwill as on March 31, 2020. The aforesaid impairment has been reflected as 'exceptional item' in the previous year ended March 31, 2020. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the Board of Directors. An average of the range of each assumption used is mentioned below:

	As at March 31, 2021	As at March 31, 2020
Growth rate	3% to 8%	3% to 8%
Operating margins	9% to 18%	9% to 18%
Discount rate	13% to 16%	13% to 16%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU. These estimates are likely to differ from future actual results of operations and cash flows. Management believes that any reasonable possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

6. Loans

Carried at amortized cost (₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Non-Current		
Unsecured, considered good		
Security deposits	300	533
Total	300	533
Current		
Unsecured, considered good		
Security deposit	1	-
Loans to employees	219	104
Total	220	104

7. Other balances with banks

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Other bank balances (refer note 9)		
Margin money deposits	39	189
	39	189
Current		
Other bank balances (refer note 9)		
Margin money deposits	379	67
	379	67

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for the year ended March 31, 2021

8. Trade receivables

Unsecured, carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	9,215	9,206
Unsecured, credit impaired	2,088	2,178
Total (a)	11,303	11,384
Impairment allowance (allowance for expected credit loss)		
Trade receivable, credit impaired	(2,088)	(2,178)
Total (b)	(2,088)	(2,178)
Net Trade Receivables (a-b)	9,215	9,206

During the year ended March 31, 2021, ₹ 3,195 Lakhs of unbilled revenue as of April 1, 2020 has been converted to trade receivables on billing. (During the previous year ended March 31, 2020, ₹ 3,198 Lakhs of unbilled revenue as of April 1, 2019 converted to trade receivables). Also, refer note 10.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Further, there are no trade or other receivables which are due from firms or private companies in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

9. Cash and cash equivalents

(₹ in Lakhs)

		As at March 31, 2021	As at March 31, 2020
Current			
Balance with banks			
In current accounts		4,113	3,773
In EEFC accounts		1,595	18
Deposits with original maturity of less than 3 months		8,586	5,252
Earmarked balances with banks being unpaid dividend accounts*^		-	-
	A	14,294	9,043
Other balances with banks			
Margin money deposits with remaining maturity for more than 3 months and less than 12 months		379	67
		379	67
Less: Disclosed under Other balances with banks (Current) (refer note 7)		(379)	(67)
	B	-	-
	(A+B)	14,294	9,043
Non-current			
Other balances with banks			
Margin money deposits		39	189
		39	189
Less: Disclosed under Other balances with banks (Non-current) (refer note 7)		(39)	(189)
		-	-

^ Represents ₹ 6,159 of unpaid dividend which is presented as Nil due to rounding off.

*These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the total of current portion of cash and cash equivalents as above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

10. Other financial assets

Unsecured, considered good

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Current		
Carried at amortized cost		
Unbilled revenue*	6,379	5,258
Interest accrued but not due on bank deposits	40	6
Carried at fair value through profit or loss		
Foreign currency forward contract	9	-
	6,428	5,264

*Also, refer note 8

11. Income tax assets (net)

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Advance income-tax [net of provision for taxation ₹ 1,994 Lakhs (March 31, 2020: ₹ 1,471 Lakhs)]	3,479	3,305
	3,479	3,305

12. Deferred tax assets (net) *

(₹ in Lakhs)

		As at March 31, 2021	As at March 31, 2020
Non-current			
Minimum alternative tax ('MAT') credit entitlement		425	425
Less: Provision for MAT credit**		(425)	(425)
	A	-	-
Deferred tax assets (net)			
Depreciation and amortization expense: Difference between tax depreciation and depreciation and amortization expense		7	5
Losses available for offsetting against future taxable profits		-	184
Provision for employee benefits and others		118	73
	B	125	262
	(A+B)	125	262

* Also refer note 20 and note 21.

**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.

In respect of certain group entities, deferred tax asset has not been recognized in absence of reasonable certainty that future taxable profit will be available for utilisation against carry forward losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

13. Other assets

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Balance with statutory/ government authorities*	267	267
Less: Provision for service tax receivable	(267)	-
	-	267
Current		
Balance with statutory/ government authorities	21	19
Advance recoverable in cash or kind		
Prepaid expenses	422	344
Advance to suppliers	194	163
Expenses incurred on behalf of customers	2	62
	639	588

*Balances represents service tax inadvertently paid by the Company during the financial years 2004 to 2008, under reverse charge mechanism, for which refund application has been filed with the service tax department and the same was under dispute. During the year ended March 31, 2021, the Company has made provision of ₹ 267 Lakhs considering the uncertainty as regards to its realisation.

14. Share capital

	No	₹ in Lakhs
Authorised share capital		
Equity shares of ₹ 5 each w.e.f September 29, 2020 and ₹ 10 each upto September 28, 2020*		
As at April 1, 2019	58,80,40,000	58,804
Increase during the year	-	-
As at March 31, 2020	58,80,40,000	58,804
Increase during the year	-	-
Increase pursuant to Capital reduction order*	58,80,40,000	-
As at March 31, 2021	1,17,60,80,000	58,804
Preference shares of ₹ 98 each		
As at April 1, 2019	2,00,000	196
Increase during the year	-	-
As at March 31, 2020	2,00,000	196
Increase during the year	-	-
As at March 31, 2021	2,00,000	196
Issued, subscribed and fully paid-up share capital		
Equity shares of ₹ 5 each w.e.f September 29, 2020 and ₹ 10 each upto September 28, 2020*^		
As at April 1, 2019	56,20,02,935	56,200
Issued during the year	-	-
As at March 31, 2020	56,20,02,935	56,200
Issued during the year	-	-
Adjustment pursuant to Capital reduction order*	-	(28,100)
As at March 31, 2021	56,20,02,935	28,100

* 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.

^ includes 243,207 (March 31, 2020: 243,207) shares in respect of which Global Depository Receipts of the Company are listed on London Stock Exchange.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

14. Share capital (contd.)

a) **Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹ 5 per share w.e.f September 29, 2020 and ₹ 10 per share upto September 28, 2020. Each holder of equity shares is entitled to one vote per share and such amount of dividend per share as declared by the Company. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) As at March, 31, 2021 and as at March 31, 2020, there is no individual shareholder or shareholder (together with 'Person acting in concert') holding more than 5% shares of the Company.

c) **Shares reserved for issue under options (No.)**

	As at March 31, 2021	As at March 31, 2020
Outstanding employee stock options under below schemes, granted/ available for grant (refer note 33):		
ESOP - V	1,98,71,500	2,19,75,000
	1,98,71,500	2,19,75,000

d) **Number of treasury shares outstanding**

	As at March 31, 2021	As at March 31, 2020
Balance as per last financial statements	2,19,75,000	1,12,00,000
Add: Additions during the year	2,50,000	1,07,75,000
Less: Exercise during the year	(23,53,500)	(4,25,000)
Closing balance	1,98,71,500	2,19,75,000

15. Other equity

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Securities premium		
Balance as per last financial statements	26,712	26,705
Less: Adjustment pursuant to Capital reduction order	(10,301)	-
Add: On account of exercise of share options	33	7
Closing balance	16,444	26,712
General reserve		
Balance as per last financial statements	1,780	1,780
Add: On account of vested options lapsed during the year	3	-
Closing balance	1,783	1,780
Employee stock options reserve		
Balance as per last financial statements	114	18
Add: Share based expenses	147	101
Less: On account of exercise of share options	(26)	(5)
Less: On account of vested options lapsed during the year	(3)	-
Closing balance	232	114

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15. Other equity (contd.)

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(19,828)	7,563
Add: Profit/ (loss) for the year	5,172	(26,915)
Add: Adjustment pursuant to Capital reduction order	38,401	-
Less: Transition impact of Ind AS 116 - Leases, net of tax	-	(442)
Less: OCI - Re-measurement losses on defined benefit obligations	(12)	(34)
Less: Dividends [refer (15(a)]	(2,746)	-
Closing balance	20,987	(19,828)
Exchange reserve on consolidation		
Balance as per last financial statements	(12,206)	(12,211)
Add: Effect of foreign exchange rate variations during the year	636	5
Closing balance	(11,570)	(12,206)
Treasury Shares		
Balance as per last financial statements	(1,233)	(645)
Less: Equity shares purchased by Subex Employee Welfare and ESOP Benefit Trust	(22)	(611)
Add: On account of exercise of share options	134	23
Closing Balance	(1,121)	(1,233)

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Summary of other equity:		
Securities premium Securities premium is used to record the premium on issue of shares and profit and loss on exercise of stock options held as treasury shares (refer note 33). The reserve shall be utilised in accordance with the provisions of section 52 of the Companies Act, 2013.	16,444	26,712
General reserve This represents appropriation of profit by the Company. Also, the amounts recorded in share options outstanding account are transferred to general reserve on account of lapse of vested stock options.	1,783	1,780
Employee stock options reserve The employee stock option reserve is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to reserves upon exercise of stock options by employees.	232	114
Surplus/ (deficit) in the consolidated statement of profit and loss This represents surplus/ (deficit) arising from operations of the Group.	20,987	(19,828)
Exchange reserve on consolidation The exchange differences arising on translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.	(11,570)	(12,206)
Treasury Shares This represents own equity shares that are acquired from open market for issuance to employees under ESOP scheme.	(1,121)	(1,233)
Total other equity	26,755	(4,661)

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15(a) Distributions made and proposed

During the year ended March 31, 2021, the Board of Directors at its meeting held on February 01, 2021 had declared an interim dividend of ₹ 0.50/- (10 %) per equity share on face value of ₹ 5/- each for the financial year 2020-2021. The interim dividend was paid during the year that resulted in cash outflow of ₹ 2,746 Lakhs.

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 at the Annual General Meeting of the Company and if approved, would result in a cash outflow of approximately ₹ 1,373 Lakhs.

With effect from 1 April 2020, the Dividend Distribution Tax ('DDT') payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

16. Trade payables

Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Current		
Trade payables		
- 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
	1,311	1,646

***Payable to micro enterprises and small enterprises** (₹ in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
a) the principal amount remaining unpaid to any supplier as at the end of accounting year;	66	41
b) interest due thereon remaining unpaid to any supplier as at the end of accounting year;	-	-
c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
d) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30 - 45 days terms.
- For explanations on the Group's liquidity risk management, refer note 38.

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for the year ended March 31, 2021

17. Other current financial liabilities

Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Current		
Employee related liabilities	2,815	2,210
Interest accrued but not due on borrowings	5	-
Capital creditors	225	2
Unpaid Dividend^	-	-
	3,045	2,212

^ Represents ₹ 6,159 of unpaid dividend which is presented as Nil due to rounding off.

18. Other current liabilities

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Unearned revenue	2,182	1,858
Statutory dues	753	484
	2,935	2,342

19. Provisions

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Provisions for employee benefits		
Gratuity [refer note 34(b)]	275	355
	275	355
Current		
Provisions for employee benefits		
Gratuity [refer note 34(b)]	127	111
Leave benefits	664	538
	791	649

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for the year ended March 31, 2021

20. Deferred tax liabilities (net)*

(₹ in Lakhs)

		As at March 31, 2021	As at March 31, 2020
Non-current			
Deferred tax liabilities			
Tax impact of depreciation arising from intangible assets pursuant to restructuring		7,058	5,861
	A	7,058	5,861
Deferred tax assets			
Depreciation and amortization expense: Tax impact of difference between tax depreciation and depreciation and amortization expense		13	32
Provision for employee benefits and others		756	899
Losses available for offsetting against future taxable profits		-	1,156
	B	769	2,087
	(A-B)	6,289	3,774

*Also, refer note 21.

21. Income tax liabilities (net)

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Provision for tax [net of advance tax ₹ 87 Lakhs (March 31, 2020: ₹ 19 Lakhs)]	91	36
Provision for foreign taxes	333	516
Provision for litigation [net of tax deducted at source ₹ 62 Lakhs (March 31, 2020: ₹ 62 Lakhs)]*	162	162
	586	714

*Provision for litigation consists of matters which are sub-judice. There is no movement in the provision during the current and previous year, refer note 32(i) for further details.

Income tax expense in the consolidated statement of profit and loss consist of the following:

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Tax expense:		
Current tax charge	696	117
Provision for MAT credit	-	425
Provision - foreign withholding taxes(net)*	399	754
Deferred tax charge (net)**	2,670	1,849
Total tax expense	3,765	3,145

Notes:

*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 year ended March 31, 2021.

** Deferred tax charge, comprises of deferred tax liability arising on account of tax benefits from amortization 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 restructuring. The liability for the previous year ended March 31, 2020 in respect of tax benefits from amortization of intangibles is net of provision no longer considered necessary amounting to ₹ 1,014 Lakhs considering the favourable assessment order in respect of Assessment Year 2016-17 with respect to foreign tax credit allowance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

21. Income tax liabilities (net) (contd.)

Reconciliation of tax to the amount computed by applying the statutory income tax rate to the income before tax is summarized below:

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit/ (loss) before tax expense	8,937	(23,770)
Applicable tax rates in India	34.94%	34.94%
Computed tax charge (A)	3,123	(8,306)
Components of tax expense:		
Provision for foreign withholding taxes (net)	399	754
Deferred tax on FTC	-	(1,014)
Tax effect of differential overseas tax rates	88	(11)
Impact of disallowable income/expense	-	10,998
Provision for MAT credit	-	425
Others	155	299
Total adjustments (B)	642	11,451
Total tax expense (A+B)	3,765	3,145

Deferred tax relates to the following:

(₹ in Lakhs)

Particulars	Consolidated Balance Sheet		Consolidated Statement of profit and loss	
	As at March 31, 2021	As at March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation and amortization expense: Tax impact of difference between tax depreciation and depreciation and amortization expense	(20)	(37)	18	(3)
Tax impact of depreciation arising from intangible assets pursuant to restructuring	7,058	5,861	1,196	1,206
Losses available for offsetting against future taxable profits	-	(1,340)	1,340	652
Provision for employee benefits and others*	(874)	(972)	98	(6)
Minimum alternative tax ('MAT') credit entitlement	-	-	-	425
Exchange differences	-	-	18	-
Total	6,164	3,512	2,670	2,274

*Includes ₹ 64 Lakhs in respect of adoption of Ind AS 116 "Leases" being cumulative adjustment to retained earnings during the previous year ended March 31, 2020.

22. Revenue from operations*

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products	3,873	3,274
Sale of services	33,128	33,224
Other operating income	202	-
	37,203	36,498
Disaggregation of revenue:		
Revenue by offering		
Sale of license	3,873	3,274
Implementation and customisation	11,096	10,066
Managed services	10,739	11,412
Support services	11,293	10,753

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

22. Revenue from operations* (contd.)

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Others**	-	993
	37,001	36,498
Revenue by contract type		
Fixed price contract	14,442	14,655
Time and Material Contract	22,559	21,843
	37,001	36,498

*During the year ended March 31, 2021, the Group recognized revenue of ₹ 2,976 Lakhs arising from opening unearned revenue, gross of trade receivables of ₹ 3,565 Lakhs, as of April 01, 2020 (March 31, 2020: ₹ 2,642 lakhs arising out of opening unearned revenue, gross of receivables of ₹ 2,852 Lakhs as of April 01, 2019).

**Represents revenue from sale of hardware amounting to ₹ 993 Lakhs during the previous year ended March 31, 2020.

Refer note 30 for disaggregation of revenue by geographical segment.

Remaining performance obligations

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2021, other than those contracts wherein invoicing is on time and material basis is ₹ 10,461 Lakhs (March 31, 2020 : ₹ 6,939 Lakhs). Out of the total remaining performance obligation other than contracts where invoicing is on time and material basis, the Group expects to recognize revenue of around 75% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

23. Other income

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Insurance claim	-	155
Income from Government incentive schemes	79	213
Interest income on:		
Security deposits	31	50
Bank deposits	343	106
Miscellaneous income	17	39
Net gain on disposal of property, plant and equipment	4	-
	474	563

24. Employee benefits expense

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages*	17,784	15,606
Contribution to provident and other funds	1,129	1,099
Employee share based payments	147	101
Gratuity expense [refer note 34 (b)]	101	134
Staff welfare expenses	559	514
	19,720	17,454

* Net of reversal of provision no longer required, in respect of employee incentives amounting to ₹ 333 Lakhs (March 31, 2020: ₹ 692 Lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

25. Finance cost

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest		
Interest expense on Lease liability	269	452
Other borrowings	5	-
Other finance charges	20	25
Interest others	2	-
	296	477

26. Depreciation and amortization expense

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	347	387
Depreciation on right-of-use assets	1,028	1,116
Amortization of intangible assets	3	5
	1,378	1,508

27. Other expenses

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Cost of hardware, software and support charges	414	1,019
Sub-contract charges	2,672	2,262
Rent	364	371
Power and fuel	142	214
Repairs and maintenance		
Building	92	131
Others	657	747
Insurance	103	95
Communication costs	225	240
Printing and stationery	11	28
Travelling and conveyance	296	2,701
Rates and taxes	169	145
Advertisement and business promotion	125	595
Consultancy charges	812	917
Payments to auditors [refer note 27(i)]	160	168
Sales commission	373	437
Commission to directors	48	-
Allowance for expected credit loss (net of reversal)	(153)	289
Directors' sitting fees (refer note 31)	70	54
Bank Charges	58	87
Miscellaneous expenses	6	13
	6,644	10,513

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

27(i). Payments to auditors (excluding goods and services tax):

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Statutory auditors		
As auditor		
Audit fee	87	91
Tax audit fee	3	3
In other capacity		
Other services (certification services)	7	11
Reimbursement of expenses	3	6
	100	111
(b) Other auditors for the subsidiaries		
As auditor		
Audit fee	59	56
In other capacity		
Reimbursement of expenses	1	1
	60	57
	160	168

28. Leases

During the year ended March 31, 2021, the Company had decided to shift from its earlier corporate office to a new premises in Bengaluru, India. Consequently, on account of the termination of lease agreement and in accordance with Ind AS 116 – 'Lease', the Company had written-off the amortized value of existing right-of-use asset of ₹ 2,972 Lakhs and Lease liability of ₹ 3,414 Lakhs determined till the completion of notice period and vacation of existing premises, and has recognized a net gain of ₹ 554 Lakhs as Exceptional Item.

On account of entering into the new lease agreement, the Company recognised a right-of-use asset of ₹ 1,514 Lakhs and lease liability of ₹ 1,452 Lakhs. The weighted average incremental borrowing rate of 6.82% has been applied to lease liabilities recognised in the balance sheet at the date of commencement of the leases.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The details of the right-of-use asset held by the Group is as follows:

(₹ in Lakhs)

	Buildings	Total
Gross Carrying Value		
As at April 1, 2019	4,816	4,816
Additions on account of lease modifications	707	707
Disposals during the year	-	-
Exchange differences	20	20
As at March 31, 2020	5,543	5,543
Additions during the year	1,514	1,514
Disposals during the year on termination of lease agreement	(4,756)	(4,756)
Exchange differences	25	25
As at March 31, 2021	2,326	2,326

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

28. Leases (contd.)

Depreciation		
As at April 1, 2019	-	-
Charge for the year	1,116	1,116
Disposals	-	-
Exchange differences	3	3
As at March 31, 2020	1,119	1,119
Charge for the year	1,028	1,028
Disposals during the year on termination of lease agreement	(1784)	(1784)
Exchange differences	1	1
As at March 31, 2021	364	364
Net block		
As at March 31, 2020	4,424	4,424
As at March 31, 2021	1,962	1,962

During the year ended March 31, 2021, the Group has incurred ₹ 364 Lakhs (March 31, 2020 ₹ 371 Lakhs) towards expenses relating to short-term leases and leases of low-value assets.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Opening	4,867	5,052
Additions	1,452	701
Interest on lease liabilities	269	452
Payments	(1,202)	(1,359)
On account of lease modification	(3,414)	-
Exchange difference	23	21
Closing	1,995	4,867
Current	420	1,409
Non-current	1,575	3,458

The following are the amounts recognised in statement of profit and loss: (₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of right-of-use assets	1,028	1,116
Interest expense on lease liabilities	269	452
Expense relating to short-term leases (included in other expenses)	364	371
Gain on termination of lease agreement *	(554)	-
Total amount recognised in statement of profit and loss	1,107	1,939

*Represents gain arising on termination of the lease agreement of existing office premises in India.

During the year ended March 31, 2021, the Group had total cash outflows for leases of ₹ 1,202 Lakhs (March 31, 2020: ₹ 1,359 Lakhs). During the year ended the Group also had non-cash additions to right-of-use assets of ₹ 1,514 Lakhs (March 31,2020: ₹ 707 Lakhs) and lease liabilities of ₹ 1,452 Lakhs (March 31, 2020: ₹ 701 Lakhs). There are no future cash outflows relating to leases that have not yet commenced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

29. Earnings/ (loss) per share

Basic earnings/ (loss) per share (EPS) amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity holders of the Parent Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Computation of basic and diluted EPS:

	Year ended March 31, 2021	Year ended March 31, 2020
Nominal value per equity share (of ₹ 5/- each w.e.f September 29, 2020 and ₹ 10/- upto September 28, 2020)	5	10
Profit/(loss) attributable to equity shareholders (₹ in Lakhs)	5,172	(26,915)
Weighted average number of basic equity shares (No. in Lakhs)*		
Basic	5,406	5,452
Diluted	5,513	5,452
Earnings/(loss) per share (₹ per share)**		
Basic	0.96	(4.94)
Diluted	0.94	(4.94)

*The weighted average number of shares takes into account the weighted average effect of changes in treasury shares.

**Employee stock options outstanding as at March 31, 2021 are dilutive (March 31, 2020: anti-dilutive) and accordingly have been considered for the purpose of computing dilutive EPS.

30. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Group assesses the financial performance and position of the Group. The Chief Executive Officer has been identified as the chief operating decision maker.

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 Group's operations spans across the world and are categorized geographically as (a) Americas, (b) EMEA (c) India and (d) APAC and rest of the World. 'Americas' comprises the Group's operations in North America, South America and Canada. 'EMEA' comprises the Group's operations in Europe, Middle East and Africa and the Group's operations in the rest of the world, excluding India are organized under 'APAC and the rest of the world'. Customer relationships are driven based on customer domicile.

Segment revenue by geographical location are as follows*: (₹ in Lakhs)

Region	Year ended March 31, 2021	Year ended March 31, 2020
Americas	6,615	7,226
EMEA	20,752	20,224
India	1,172	1,260
APAC and rest of the world	8,664	7,788
	37,203	36,498

* Revenues by geographic area are based on the geographical location of the customer.

No single customer represents 10% or more of the Group's total revenue for the year ended March 31, 2021 (March 31, 2020 : Nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

Non-current operating assets by geographical location are as follows**: (₹ in Lakhs

Region	As at March 31, 2021	As at March 31, 2020
India	2,391	4,271
Outside India	748	857
Unallocated ***	34,409	34,409
Total non-current operating assets	37,548	39,537

** Non-current operating assets includes Property, plant and equipment, Right-of-use assets, Other intangible assets and Balance with statutory/ government authorities and Prepaid expenses.

*** Unallocated represents Goodwill on consolidation. The management is of the view that it is not practically feasible to allocate such goodwill to various regions.

31. Related party transactions

i. Related parties under Ind AS 24 and Companies Act, 2013

Trust that is consolidated

Subex Employee Welfare and ESOP Benefit Trust

Key management personnel of the Company:

Anil Singhvi	Chairman, Non-Executive & Non-Independent Director (w.e.f June 18, 2020) Chairman & Independent Director (upto June 17, 2020)
Nisha Dutt	Independent Director
Poornima Kamalaksh Prabhu	Independent Director
George Zacharias	Independent Director (w.e.f. May 13, 2019)
Vinod Kumar Padmanabhan	Managing Director & Chief Executive Officer Designated partner of Subex Assurance LLP Designated partner of Subex Digital LLP
Shiva Shankar Naga Roddam	Whole-time Director & Chief Operating Officer (w.e.f February 7,2020)
Venkatraman G S	Chief Financial Officer & Senior Vice President Designated partner of Subex Assurance LLP Designated partner of Subex Digital LLP
G V Krishnakanth	Company Secretary & Compliance Officer

ii. Details of transactions with key management personnel during the year ended March 31, 2021:

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Salary and perquisites:*		
Vinod Kumar Padmanabhan (includes remuneration from Subex Assurance LLP)**	340	332
Venkatraman G S **	113	67
G V Krishnakanth **	46	50
Shiva Shankar Naga Roddam **	207	16
	706	465
Dividend		
Vinod Kumar Padmanabhan	2	-
Venkatraman G S	2	-
Shiva Shankar Naga Roddam	1	-
	5	-
Director sitting fees		
Anil Singhvi	20	19
Nisha Dutt	16	10
Poornima Prabhu	19	17
George Zacharias	11	4
	66	50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

31. iii. Details of transactions with key management personnel during the year ended March 31, 2021: (contd.)

	Year ended March 31, 2021	Year ended March 31, 2020
Commission payable***		-
Anil Singhvi	12	-
Nisha Dutt	12	-
Poornima Prabhu	12	-
George Zacharias	12	-
	48	-

* The remuneration to the key managerial personnel does not include the provision/ accruals made on best estimate basis as they are determined for the Group as a whole.

** During the year ended March 31, 2021, the Company has granted Nil ESOPs (March 31, 2020 : 18,00,000 ESOPs) to certain key management personnel under ESOP 2018 scheme. Of the aforesaid ESOPs, 5,60,000 options (March 31, 2020 : 4,25,000 ESOPs) has been exercised during the year ended March 31, 2021. Refer note 33.

*** Commission payable to Independent Directors and Non-Executive Director is subject to the approval of shareholders at the Annual General Meeting of the Company.

32. Contingent liabilities

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Income tax demands [refer note (i)]	6,609	6,619
Service tax demands [refer note (ii)]	3,687	3,687
Bank guarantees (furnished to customers)	299	256

i. Income tax

a) The Company has received assessment orders in respect of each of the financial years 2010-11, 2013-14 and 2014-15, wherein certain adjustments were made to the taxable income in relation to various matters including adjustments in respect of transfer pricing under section 92CA of the Income Tax Act, 1961 and disallowances of certain expenditures. These demands are disputed by the management and the Company has filed appeals against these orders with various appellate authorities. The management, including its tax experts/ advisors, are of the view that the prices determined by it are at arm's length, expenditures are deductible based on outcome of previous litigations, and is confident that its position will likely be upheld on ultimate resolution and will not have material adverse effect on the Company's financial position and results of operations. With respect to the demands of Subex Limited, the Company has paid ₹ 995 lakhs.

b) One of the subsidiary, Subex Technologies Limited, had received demand orders in relation to disallowance of subcontracting charges on non-deduction of withholding taxes pertaining to financial year ended March 31, 2008, amounting to ₹ 3,088 Lakhs under section 143(3) of Income Tax Act, 1961 and ₹ 1,214 Lakhs under section 201(1) of Income Tax Act, 1961. In the matter relating to demand u/s 143(3) of Income Tax Act, 1961, the Company had received a favourable decision from the Honorable Income Tax Appellate Tribunal in November 2016 wherein refund has been determined. Subsequently, the Department of Income Tax has filed an appeal in this regard with the Honorable High Court. The matter relating to section 201(1) of Income Tax Act, 1961 is stayed in the interim by the Honorable High Court pending the hearing in respect of the matter. Based on the opinion received from the external consultants, the management is of the view that, these expenses are deductible from taxable income, and is confident that the demands raised by the Assessing Officers are not tenable under law.

ii. Service tax

The Group has received demand order towards the service tax on import of certain services and equivalent amount of penalties under the provisions of the Finance Act, 1994 along with the consequential interest during the period April 2006 to July 2009. These demands are disputed by the management and the Group has filed appeals against these orders with various appellate authorities. The management is of the view that the service tax is not applicable on those import of services, and is confident that the demands raised by the Assessing Officers are not tenable under law.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

33. Employee stock options plans ('ESOPs')

The Group during the year 2005-2006 had established equity settled ESOP schemes of ESOP III. As per the schemes, the Compensation Committee grants the options to the employees deemed eligible by the Advisory Board constituted for the purpose. The options are granted at a price, which is not less than 85% of the average market price of the underlying shares based on the quotation on the Stock Exchange where the highest volume of shares are traded for 15 days prior to the date of grant. The shares granted vest over a period of 1 to 4 years and can be exercised over a maximum period of 3 years from the date of vesting.

During the year 2018-2019, the Board of Directors and the shareholders of the Company approved "Subex Employees Stock Option Scheme – 2018" (referred to as the "ESOP Scheme 2018" or "ESOP - V") to be administered through Subex Employee Welfare and ESOP Benefit Trust (referred to as the "ESOP Trust"). The ESOP Trust is authorised to acquire shares of the Company through secondary market for providing such share-based payments to its employees. The ESOP Trust is consolidated in the standalone financial results of the Company and the shares reacquired and held by ESOP Trust are treated as treasury shares recognised at cost and deducted from other equity. The ESOP trust held 1,98,71,500 and 2,19,75,000 treasury shares as at March 31, 2021 and March 31, 2020 respectively.

The Nomination and Remuneration Committee of the Group in their meeting held on February 1, 2021 granted 12,40,500 (March 31, 2020: 1,28,00,000) options under approved "Subex Employees Stock Option Scheme – 2018" to the eligible employees. The shares granted vest over a period of 1 to 2 years and can be exercised over a maximum period of 2 years from the date of vesting.

Employees stock options details as on the balance sheet date are:

	2020-21		2019-20	
	Options (no.)	Weighted average exercise price per stock option (₹)	Options (no.)	Weighted average exercise price per stock option (₹)
Options outstanding at the beginning of the year				
ESOP – III	-	-	6,125	13.74
ESOP – V	2,19,75,000	6.00	1,06,50,000	6.00
Exercised during the year				
ESOP – III	-	-	-	-
ESOP – V	23,53,500	6.00	4,25,000	6.00
Granted during the year				
ESOP – III	-	-	-	-
ESOP – V	12,40,500	18.00	1,28,00,000	6.00
Forfeited and expired during the year				
ESOP – III	-	-	6,125	13.74
ESOP – V	9,90,500	6.00	10,50,000	6.00
Options outstanding at the end of the year				
ESOP – III	-	-	-	-
ESOP – V	1,98,71,500	6.75	2,19,75,000	6.00
Options exercisable at the end of the year				
ESOP – III	-	-	-	-
ESOP – V	1,19,24,750	6.00	43,75,000	6.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

33. Employee stock options plans ('ESOPs') (contd.)

Details of weighted average remaining contractual life and range of exercise prices for the options outstanding at the balance sheet date:

Particulars	Weighted average remaining contractual life(years)*		Range of exercise prices (₹)	
	2020-21	2019-20	2020-21	2019-20
ESOP – III	-	-	-	-
ESOP – V	2.16	2.94	6.00-18.00	6.00

* considering vesting and exercise period

Fair value methodology

The key assumptions used in Black-Scholes model for calculating fair value of ESOP V during the year is as below:

Particulars	March 31, 2021	March 31, 2020
Risk-free interest rate	6.12%	6.70%
Expected volatility of share	72.08%	41.00%
Expected life(years)	2	2
Dividend yield	1.88%	-
Exercise Price	18.00	6.00
Weighted average fair value as on grant date (₹)	12.64	1.23

The expected life of stock options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

34. Employee benefit plans

a) Provident fund

The Group makes contributions to Provident Fund, Pension Fund, Employee State Insurance scheme and other funds which are defined contribution plan for qualifying employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognized ₹ 1,110 Lakhs (March 31, 2020: ₹ 1,055 Lakhs) towards Provident Fund and Pension Fund contributions (including 401K contribution).

b) Gratuity

The Group offers Gratuity benefits to employees, a defined benefit plan. Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables set out the status of the gratuity plan:

Disclosure as per Ind AS 19 (₹ in Lakhs)

		As at March 31, 2021	As at March 31, 2020
A.	Change in defined benefit obligation		
	Obligations at beginning of the year	740	651
	Service cost	101	134
	Interest cost	38	43
	Benefits settled	(133)	(138)
	Actuarial loss (through OCI)	16	36
	Currency translation adjustment	(4)	14
	Obligations at end of the year	758	740

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

34. Employee benefit plans (contd.)

B.	Change in plan assets		
	Plan assets at beginning of the year, at fair value	274	251
	Expected return on plan assets	18	18
	Actuarial gain (through OCI)	4	2
	Contributions	193	141
	Benefits settled	(133)	(138)
	Plan assets at the end of the year	356	274
	Present value of defined benefit obligation at the end of the year	(758)	(740)
	Fair value of plan assets at the end of the year	356	274
C.	Net liability recognised in the consolidated balance sheet	(402)	(466)

(₹ in Lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
D.	Expenses recognised in the consolidated statement of profit and loss:		
	Service cost	101	134
	Interest cost (net)	20	25
	Net gratuity cost	121	159
E.	Re-measurement gains/ (losses) in OCI		
	Actuarial (loss)/ gain due to financial assumption changes	-	(16)
	Actuarial (loss)/ gain due to experience adjustments	(16)	(20)
	Actuarial (loss)/ gain - return on plan assets greater than discount rate	4	2
	Total expenses recognised through OCI	(12)	(34)
F.	Assumptions		
	Discount rate	4.90%	5.20%
	Expected return on plan assets	6.41%	7.30%
	Salary escalation*	5.95%	6.20%
	Attrition rate	18.00%	18.00%
	Retirement age	60 years	60 years

Assumptions regarding future mortality experience are set in accordance with the published statistics by Indian Assured Lives Mortality (2012-14) [March 31, 2020: Indian Assured Lives Mortality (2012-14)].

*The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors, benefit obligation such as supply and demand in the employment market.

(₹ in Lakhs)

		As at March 31, 2021	As at March 31, 2020
G.	Five years pay-outs		
	Year 1	127	111
	Year 2	109	106
	Year 3	98	99
	Year 4	91	89
	Year 5	82	80
	After 5th Year	498	499

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

34. Employee benefit plans (contd.)

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
H. Contribution likely to be made for the next one year	127	111

I. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investment with insurer	100%	100%

J. Sensitivity analysis

(₹ in Lakhs)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Effect of change in discount rate	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation increase/ (decrease)	(16)	17	(17)	17
Effect of change in salary	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation increase/ (decrease)	32	(31)	32	(30)
Effect of change in withdrawal assumption	5% increase	5% decrease	5% increase	5% decrease
Impact on defined benefit obligation increase/ (decrease)	(20)	25	(19)	24

K. The average duration of the defined benefit plan obligation at the end of the reporting period of gratuity is 6 years (March 31, 2020: 6 years).

35. Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements:

Contribution of net assets/ (liability) in the consolidated financial statements:

As at and for the year ended March 31, 2021

(₹ in Lakhs)

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Subex Limited	47%	50,166	34%	2,622	-	-	31%	2,622
Indian subsidiaries								
Subex Technologies Limited	-	15	-	(4)	-	-	-	(4)
Subex Assurance LLP	44%	48,634	62%	4,836	(2%)	(15)	57%	4,821
Subex Digital LLP	(4%)	(4,528)	(26%)	(2,010)	1%	8	(24%)	(2,002)
Foreign subsidiaries								
Subex (Asia Pacific) Pte Ltd.	-	493	(4%)	(347)	4%	26	(4%)	(321)
Subex (UK) Ltd.	8%	8,146	29%	2,283	85%	535	34%	2,818
Subex Americas Inc.	5%	5,760	-	(10)	2%	12	-	2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

35. Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements:

Contribution of net assets/ (liability) in the consolidated financial statements: (Cont.)

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Subex Inc.	(2%)	(1,628)	7%	533	11%	66	7%	599
Subex Middle East	-	69	(1%)	(67)	(1%)	(8)	(1%)	(75)
Subex Bangladesh Pvt.Ltd	-	(45)	(1%)	(57)	-	-	(1%)	(57)
Total	100%	1,07,082	100%	7,779	100%	624	100%	8,403
Adjustments arising out of consolidation		(52,227)		(2,607)		-		(2,607)
Total		54,855		5,172		624		5,796

As at and for the year ended March 31, 2020

(₹ in Lakhs)

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Subex Limited	48%	50,024	63%	(20,588)	72%	(21)	63%	(20,609)
Indian subsidiaries								
Subex Technologies Limited	-	16	-	(4)	-	-	-	(4)
Subex Assurance LLP	45%	46,413	40%	(12,974)	(24%)	7	40%	(12,967)
Subex Digital LLP	(2%)	(2,527)	6%	(1,999)	14%	(4)	6%	(2,003)
Foreign subsidiaries								
Subex (Asia Pacific) Pte Ltd.	1%	815	-	(29)	(103%)	30	-	1
Subex (UK) Ltd.	5%	5,313	(4%)	1,301	(786%)	228	(5%)	1,529
Subex Americas Inc.	6%	5,758	(2%)	664	203%	(59)	(2%)	605
Subex Inc.	(2%)	(2,227)	(3%)	1,060	762%	(221)	(3%)	839
Subex Middle East	-	144	-	15	(34%)	10	-	25
Subex Bangladesh Pvt.Ltd	-	12	-	11	(3%)	1	-	12
Total	100%	1,03,741	100%	(32,543)	100%	(29)	100%	(32,572)
Adjustments arising out of consolidation		(52,202)		5,628		-		5,628
Total		51,539		(26,915)		(29)		(26,944)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

36. Capital management

The Group's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Group does not have any long term debts hence there is no capital gearing ratio. Surplus fund has been invested into risk free highly liquid financial instruments.

37. Fair value hierarchy

The carrying value of financial instruments by categories is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets measured at amortized cost		
Interest accrued but not due on bank deposits*	40	6
Trade receivables*	9,215	9,206
Unbilled revenue*	6,379	5,258
Security deposits^	301	533
Loans and advances to employees*	219	104
	16,154	15,107
Financial assets measured at fair value through profit or loss		
Foreign currency forward contract#	9	-
	9	-
Cash and cash equivalents and other balances with banks		
Balance with banks	14,294	9,043
Earmarked balances with banks being unpaid dividend accounts**	-	-
Margin money deposits	418	256
	14,712	9,299
Financial liabilities measured at amortized cost		
Employee related liabilities*	2,815	2,210
Trade payables*	1,311	1,646
Capital creditors*	225	2
Borrowings*	584	-
Interest accrued but not due on borrowings*	5	-
Lease liabilities^	1,995	4,867
	6,935	8,725

* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature. Accordingly, these are classified as level 3 of fair value hierarchy.

^ The fair value of these accounts was calculated based on cash flow discounted using a current lending/ borrowing rate, they are classified as level 3 fair value hierarchy due to inclusion of unobservable inputs including counterparty credit risk.

These accounts are considered to be highly liquid / liquid and the carrying amount of these are considered to be the same as their fair value.

**Represents ₹ 6,159 of unpaid dividend which is presented as Nil due to rounding off.

38. Financial risk management:

The Group's activities expose it to the following risks:

i. Credit risk

ii. Interest rate risk

iii. Liquidity risk

iv. Market risk

i. Credit risk

Credit Risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract leading to a

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

38. Financial risk management (contd.)

financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) and from its financing activities including deposits with banks, foreign exchange transactions and other financial instruments.

a. Trade receivables

Credit risk is managed by each business unit as per the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.

b. Credit risk exposure

The Group's credit period generally ranges from 30 - 180 days. The credit risk exposure of the Group is as below:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	9,215	9,206
Unbilled revenue	6,379	5,258
Total	15,594	14,464

The movement in credit loss allowance on customer balance is as follows : (₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Opening balance	2,178	1,789
Add/ (less): (Reversal)/ provided during the year	(153)	289
Less: Bad-debts written-off	-	(25)
Add: Translation difference	63	125
Closing balance	2,088	2,178

c. Other financial assets and deposits with banks

Credit risk is limited, as the Group generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Counterparty credit limits are reviewed by the Group periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

ii. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group risk of changes in interest rates relates primarily to the Group's debt obligations with floating interest rates for the period the group was holding the debts.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on entity's profit before tax due to change in the interest rate/ fair value of financial liabilities are as disclosed below:

(₹ in Lakhs)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Change in interest rate	Effect of profit before exceptional items and tax expense	Change in interest rate	Effect of profit before exceptional items and tax expense
Borrowings	+1%	6	-	-
	-1%	(5)	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

38. Financial risk management (contd.)

iii. Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The break-up of cash and cash equivalents and deposits is as below:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	14,294	9,043
Other balances with banks	418	256
	14,712	9,299

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

(₹ in Lakhs)

Particulars	On demand	0-180 Days	181-365 Days	More than 365 Days	Total
As at March 31, 2021					
Trade payables	1	1,301	9	-	1,311
Lease Liability*	-	258	391	1,830	2,479
Borrowings	-	584	-	-	584
Other financial liabilities	-	3,045	-	-	3,045
	1	5,188	400	1,830	7,419
As at March 31, 2020					
Trade payables	92	1,554	-	-	1,646
Lease Liability*	-	705	705	4,334	5,744
Other financial liabilities	-	2,212	-	-	2,212
	92	4,471	705	4,334	9,602

*Includes future cash outflow toward estimated interest on lease liabilities

iv. Market risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exchange risk arises from its foreign operations, foreign currency revenues and expenses. The Group has exposures to United States Dollars ('USD'), Great Britain Pound ('GBP'), Euro ('EUR') and other currencies. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and financing activities.

Below is the summary of foreign currency exposure of Group's financial assets and liabilities.

As at March 31, 2021

(₹ in Lakhs)

Particulars	Denominated currency				Total
	USD	GBP	EUR	Others	
Financial assets					
Trade receivables	4,410	-	1,916	975	7,301
Cash and cash equivalents and other bank balances	1,427	363	340	1,503	3,633

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

38. Financial risk management (contd.)

Other financial assets	3,860	6	919	951	5,735
Total financial assets	9,697	369	3,175	3,429	16,669
Financial liabilities					
Other financial liabilities	505	-	292	29	826
Total financial liabilities	505	-	292	29	826
Net financial assets/ (liabilities)	9,192	369	2,883	3,400	15,843

As at March 31, 2020 (₹ in Lakhs)

Particulars	Denominated currency				Total
	USD	GBP	EUR	Others	
Financial assets					
Trade receivables	5,682	-	1,322	770	7,774
Cash and cash equivalents and other bank balances	531	-	281	382	1,194
Other financial assets	2,776	-	1,125	412	4,313
Total financial assets	8,989	-	2,728	1,564	13,281
Financial liabilities					
Other financial liabilities	900	-	132	19	1,051
Total financial liabilities	900	-	132	19	1,051
Net financial assets/ (liabilities)	8,089	-	2,596	1,545	12,230

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these transactions are banks. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Forward contracts outstanding are as below:

Currency	Foreign currency amount		Amount in ₹ lakhs	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD	6,50,000	-	475	-
GBP	4,50,000	-	453	-

Sensitivity analysis

Every 1% appreciation or depreciation in the respective foreign currencies against functional currency of the each of the group entities would cause the profit before exceptional items in proportion to revenue to increase or decrease respectively by 0.43% (March 31, 2020: 0.34%).

39. As per section 135 of The Company's Act, 2013, a Corporate Social Responsibility ('CSR') committee has been formed by Subex Limited. The primary function of the Committee is to assist the Board of Directors in formulating the CSR policy and review the implementation and progress of the same from time to time. The CSR Policy focuses on creating opportunities for the disadvantaged with emphasis on persons with disabilities. During the year ended March 31, 2021, considering losses incurred in past years, the Company does not have the obligation to incur expenses in relation to CSR.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

40. The Group Companies has entered into 'International transactions' with 'Associated Enterprises' which are subject to Transfer Pricing regulations in India, as well as in the other geographies. The Group is in the process of carrying out transfer pricing study for the year ended March 31, 2021 in this regard, to comply with the requirements of the Income Tax Act, 1961 and other applicable laws in other countries. The Management of the Group, is of the opinion that such transactions with Associated Enterprises are at arm's length and hence in compliance with the aforesaid legislation. Consequently, this will not have any impact on the consolidated financial statements, particularly on account of tax expense and that of provision for taxation.

41. 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 fulfilment of certain conditions. Subex Inc. has applied for forgiveness and application is pending with Small Business Administration, United States government agency for review and approval. 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.

42. 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.

43. 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 Ind AS financial statements, 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 Ind AS financial statements and the Group will continue to closely monitor any material changes to its assessment of economic impact of COVID- 19 pandemic.

44. 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.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru, India
Date: May 17, 2021

For and on behalf of the Board of Directors

Vinod Kumar Padmanabhan
Managing Director & CEO
DIN : 06563872
Place: Bengaluru, India

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Venkatraman G S
Chief Financial Officer
Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

Date: May 17, 2021

"SHAREHOLDERS' INFORMATION"

REGISTERED OFFICE

The Registered office of the Company is at Pritech Park – SEZ,
Block-09, 4th Floor, B Wing, Survey No. 51 to 64/4,
Outer Ring Road, Bellandur Village, Varthur Hobli,
Bengaluru, Karnataka-560 103.

DATE AND VENUE OF THE 27TH ANNUAL GENERAL MEETING (AGM)

Date : Friday, July 09, 2021

Venue : Video Conference ("VC")/Other Audio Visual Means ("OAVM")

Time : 11:00 A.M. (IST)

E-voting date: Tuesday, July 06, 2021, 9:00 A.M. (IST) to Thursday, July 08, 2021, 5:00 P.M. (IST)

DATES OF BOOK CLOSURE

From July 03, 2021 to July 09, 2021 (both days inclusive)

BOARD MEETINGS & FINANCIAL CALENDAR

Calendar of Board Meetings to adopt the accounts

Financial year 2020-21	– April 01, 2021 to March 31, 2022
For quarter ending June 30, 2021	– 2nd week of August 2021
For quarter ending September 30, 2021	– 2nd week of November 2021
For quarter ending December 31, 2021	– 2nd week of February 2022
For the year ending March 31, 2022	– 4th week of May 2022

DIVIDEND

The Board at its meeting held on February 01, 2021 declared an interim dividend of ₹ 0.50 per share (10% per share of Face value of ₹ 5) for the financial year 2020-21.

The Board at its meeting held on May 17, 2021, recommended a final dividend of ₹ 0.25 (5%) per share, subject to the approval of the members at the 27th Annual General Meeting to be held on July 09, 2021.

The Company has uploaded the names of the Members and the details of the unpaid/unclaimed dividend on its website at https://www.subex.com/investors/dividend/. Members are requested to inspect the same and find out whether their dividend is outstanding.

LISTING ON STOCK EXCHANGES

Equity Shares of the Company are quoted on the National Stock Exchange of India Limited (NSE) since September 05, 2003 and on the BSE Limited (BSE) since July 31, 2000. The Company has paid listing fees for the year 2020-21 in accordance with the provisions of the SEBI (LODR) Regulations, 2015

The 2,43,207 Global Depositary Receipts (GDRs) of the Company are listed on the Professional Securities Market of London Stock Exchange since March 09, 2007.

The stock codes of the Company at the Stock Exchanges are as follows:

Name and address of the Stock Exchange	Stock code
National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block Bandra Kurla Complex, Bandra (East) Mumbai- 400 051	SUBEXLTD
BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	532348
London Stock Exchange, 10 Paternoster Square London EC4M 7LS	SUBX

The International Securities Identification Number (ISIN) for the Company's Equity Shares in dematerialized form is INE754A01055.

CUSTODIAL FEE

Pursuant to the Securities and Exchange Board of India (SEBI) Circular No. MRD/DoP/SE/Dep/Cir-4/2005 dated January 28, 2005 issuer companies are required to pay custodial fees to the depositories with effect from April 01, 2005. The said circular has been partially modified vide SEBI's Circular No. MRD/DoP/SE/Dep/Cir-2/2009 dated February 10, 2009. The Company, in accordance with the aforesaid circulars, paid custodial fees for the year 2020-21 to NSDL and CDSL on the basis of the number of beneficial accounts maintained by them as on March 31, 2021.

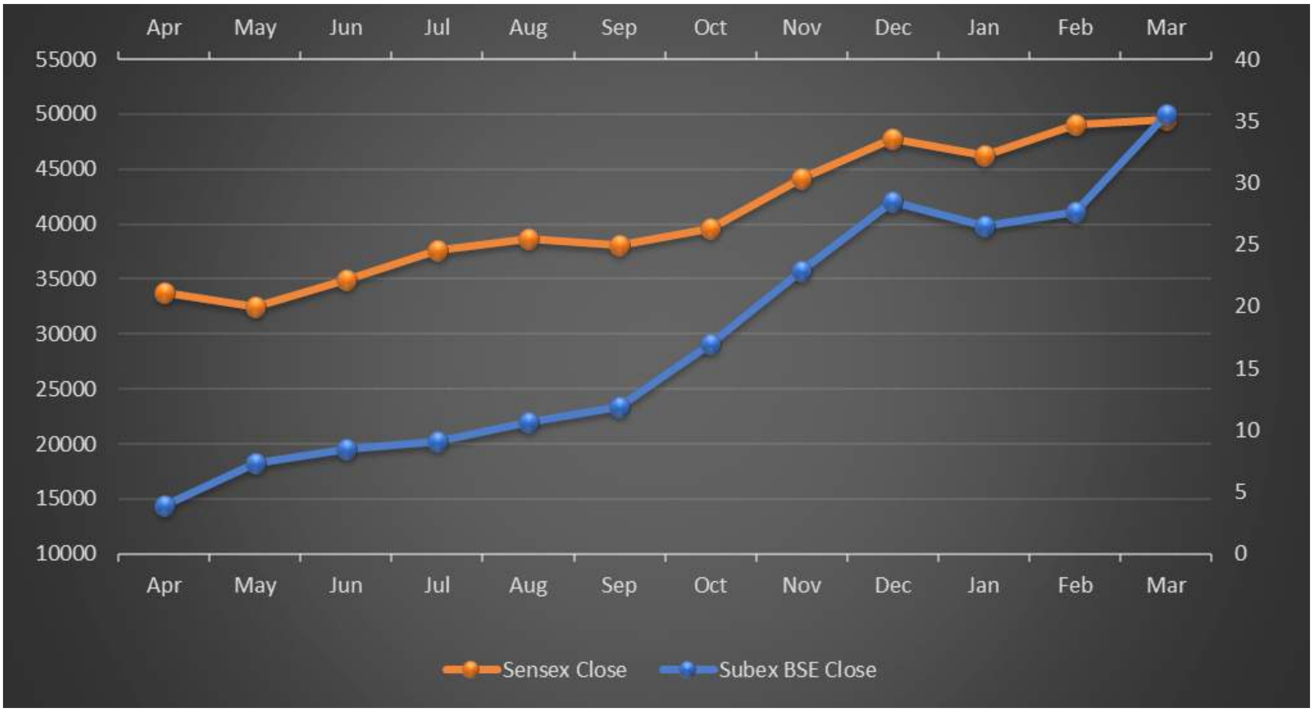
STOCK MARKET DATA RELATING TO EQUITY SHARES LISTED IN INDIA

Monthly high and low quotes during each month in the financial year 2020-21 as well as the volume of shares traded on NSE and BSE are as under:

Month	NSE			BSE		
	High Price	Low Price	Number of shares traded (in lakhs)	High Price	Low Price	Number of shares traded
Apr-20	4.15	3.00	93.22	4.16	3.05	8,23,039
May-20	7.00	3.55	53.99	7.52	3.59	1,63,85,895
Jun-20	9.75	6.65	453.77	9.82	7.01	3,28,54,745
Jul-20	9.35	7.40	162.87	9.30	7.37	77,28,594
Aug-20	12.70	9.10	452.11	12.70	8.75	1,90,39,727
Sep-20	12.85	9.30	353.40	13.00	9.28	1,93,42,339
Oct-20	17.15	11.65	1062.27	17.19	11.70	1,83,02,157
Nov-20	23.50	15.35	731.70	23.50	15.30	2,63,31,260
Dec-20	35.00	23.50	2859.81	35.00	23.45	7,65,89,042
Jan-21	29.85	23.20	994.31	29.85	23.20	2,54,67,757
Feb-21	31.30	24.50	1151.37	31.20	24.50	2,08,05,328
Mar-21	41.65	27.25	2638.42	42.00	27.30	4,76,52,464

SUBEX LIMITED SHARE PRICE VERSUS NSE S&P CNX NIFTY AND SENSEX

Month	BSE Sensex	Nifty 50
Apr-20	33,717.62	9,859.90
May-20	32,424.10	9,580.30
Jun-20	34,915.80	10,471.00
Jul-20	37,606.89	11,300.55
Aug-20	38,628.29	11,647.60
Sep-20	38,067.93	11,604.55
Oct-20	39,614.07	11,971.05
Nov-20	44,149.72	13,055.15
Dec-20	47,751.33	13,981.95
Jan-21	46,285.77	14,644.70
Feb-21	49,099.99	15,314.70
Mar-21	49,509.15	15,245.60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Sensex Close
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Nifty Close
Subex NSE Close

CREDIT RATING

The India Ratings and Research organisation (Ind-Ra) in their letter dated September 04, 2020 confirmed that the company's outlook has been revised to Positive from Stable and the credit rating remained unchanged at 'IND A-'.

Rating History is as mentioned below:

Instrument Type	Current Rating/Outlook			Historical Rating Outlook		
	Rating Type	Rated Limits (million)	Rating	07 August 2019	26 July 2018	20 July 2017
Issuer Rating	Long-Term	-	IND A-/Positive	IND A-/Stable	IND A-/Stable	IND A-/Stable

SHAREHOLDING PATTERN

(As per records of the RTA)

Distribution of Shareholding:

No. of Equity shares held	As on March 31, 2021		As on March 31, 2020	
	No. of share holders	% to total share holders	No. of share holders	% to total share holders
1 – 5000	1,26,544	78.52	51,234	51.75
5001 – 10000	12,637	7.84	16,528	16.69
10001 – 20000	8,161	5.06	10,926	11.04
20001 –30000	4,565	2.83	4,787	4.83
30001 – 40000	1,548	0.96	2,324	2.35
40001 – 50000	2,093	1.30	3,468	3.50
50001 – 100000	2,514	1.56	4,577	4.62
100001 and above	3,105	1.93	5,164	5.22
TOTAL	**1,61,167**	**100**	**99,008**	**100**

Categories of Shareholders:

Categories of Shareholders	No. of Shares of face value of ₹ 5 each	% of holding
Promoter & Promoter group	Nil	Nil
Public	54,18,88,228	96.46
Non-Promoter, Non-Public *	2,01,14,707	3.54
TOTAL	**56,20,02,935**	**100**

*Includes shares held by the Subex Employee Welfare and ESOP Benefit Trust

R & T AGENTS AND SHARE TRANSFER SYSTEM

Kfin Technologies Private Limited as Registrar and Transfer Agent of the Company having its registered office at Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 with effect from April 15, 2020. However due to the current pandemic situation of COVID-19, the change of RTA was deferred to May 31, 2020. Further since the lockdown was relaxed conditionally and transfer of electronic and physical data from Canbank Computer Services Limited (previous Registrar and Transfer Agents) to Kfin Technologies Private Limited was pending, the Board was requested to extend the date of change of Registrar & Transfer Agents of the Company to July 31, 2020. The change in RTA took effect from July 24, 2020.

A. Process for Transfer of Shares:

With a view to expedite the transfer process in the interest of investors, SEBI vide its Circular No. CIR/MIRSD/8/2012 dated July 05, 2012 has reduced the timeline for registering the transfer of shares to 15 days with effect from October 01, 2012.

Share transfers would be registered and returned within a period of fifteen days from the date of receipt, if the documents are clear in all respects. For matters regarding transfer of shares, change of address etc., shareholders are requested to contact M/s. Kfin Technologies Private Limited, R&T Agent.

B. **Share transfers and other communication regarding Share certificates, updation of records, email addresses, etc. may be addressed to:**

Kfin Technologies Private Limited ,

Selenium Building, Tower-B,

Plot No- 31 & 32, Financial District,

Nanakramguda, Serilingampally,

Hyderabad, Rangareddi, Telangana - 500 032

Tel No. 1-800-3094-001

Email: einward.ris@kfintech.com

Website: https://www.kfintech.com/

SHARES HELD IN PHYSICAL AND DEMATERIALISED FORM

As on March 31, 2021, 99.99% of the Company's shares were held in dematerialized form and the rest in physical form.

OUTSTANDING GDRs/ADRs/WARRANTS/CONVERTIBLE INSTRUMENTS AND THEIR IMPACT ON EQUITY

As on March 31, 2021, the outstanding GDRs were 2,43,207. There are no outstanding convertible instruments in the company.

LOCATIONS

- Broomfield, Colorado USA
- Harrow, Middlesex, UK
- Burlington Square, Singapore
- Sharjah Airport International Free Zone, Sharjah, UAE
- Dhaka, Bangladesh

LEGAL PROCEEDINGS

There are no legal proceedings against the Company which are material in nature.

NOMINATION

Pursuant to the provisions of Section 72 of the Companies Act, 2013, members may file nomination in respect of their shareholdings. Any member willing to avail this facility may submit to the Company the prescribed Form SH 13 (in duplicate), if not already filed. Form SH 13 can be obtained from the R&T Agents of the Company. Members holding shares in electronic form are requested to give the nomination request to their respective Depository Participants directly.

INVESTOR GRIEVANCES

Details of the investor grievances received from the Registrar and Transfer agent (RTA) for the period from April 01, 2020 to March 31, 2021 are as stated below. Additionally, the Company has attended to all the investor grievances/correspondence received through email or telephone on a timely manner.

Nature of complaints (excluding the grievances received through E-mails or telephone)	Received	Cleared
Non-receipt of share certificates/refund orders/call money notice/allotment advice/dividend warrant/ annual report	2	2
Letters from NSDL, Banks etc.	1	1
Correction/change of bank mandate of refund order/Change of address	1	1
Postal returns of cancelled stock invests / refund orders/ share certificates / dividend warrants	7	4
Other general query	2	2
Total	**13**	**10***

*Pending complaints were addressed post the end of the financial year.

ADDRESS FOR CORRESPONDENCE

For any queries, please write to:

Mr. G V Krishnakanth
Company Secretary & Compliance Officer
Subex Limited, Pritech Park – SEZ, Block-09,
4th Floor, B Wing, Survey No. 51 to 64/4,
Outer Ring Road, Bellandur Village,
Varthur Hobli, Bengaluru, Karnataka-560 103. India
Telephone: +91 80 3745 1377

Email: investorrelations@subex.com

WEBSITE

Company's website www.subex.com contains comprehensive information about the Company, products, press releases, financials and investor relations. It serves as a source of information to the shareholders by providing key information like Board of Directors and the committees, financial results, shareholding pattern, preceding year's Annual Reports, Annual General Meetings, distribution of shareholding, dividend etc.

SUBEX

India
CIN : L85110KA1994PLC016663
Pritech Park – SEZ
Block -09, 4th Floor, B Wing
Survey No. 51 to 64/4
Outer Ring Road, Bellandur Village
Varthur Hobli
Bangalore, Karnataka – 560 103
Tel No. 080 3745 1377

UK
Subex (UK) Limited
1st Floor, Rama Apartment,
17 St Ann's Road, Harrow,
Middlesex, HA1 1JU, UK

Middle East
Subex Middle East (FZE)
Executive Desk Q1-04-098/B,
P.O. Box: 513156,
Sharjah Airport International
Free Zone, Sharjah, UAE

USA
Subex Inc.
12303 Airport Way, Bldg. 1,
Suite. 390, Broomfield,
CO 80021,
USA

Singapore
Subex (Asia Pacific)
Pte Limited
175A Bencoolen Street
#08-03 Burlington Square
Singapore - 189650

Canada
Subex Americas Inc.
C/O BDO Canada LLP,
5494, Manotick Main Street
Box. 918, Manotick, Ontario
Canada, K4M1A8

Bangladesh
Subex Bangladesh Private Limited
Wakil Tower, Ta-131 (8th Floor)
Gulshan Badda Link Road,
Gulshan
Dhaka-1212, Bangladesh.

www.subex.com | Regional offices: Dubai, Ipswich