SUBEX

CREATING CONNECTED EXPERIENCES

Annual Report 2022 - 2023 of
Subex Limited - A Telecom AI Company

ANNUAL REPORT 2022-2023

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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CREATING CONNECTED EXPERIENCES

The Future is Unreal

The telecommunications landscape is undergoing a profound metamorphosis, ushering in an era of unprecedented digital transformation and connectivity.

- 30% of all outbound messages will be synthetically generated by 2025
- 10% of all data produced will be from generative AI by 2025
- 35% is the increase in the online share of working hours due to AI-generated productivity
- 65% of the global population will have digital wallets by 2030

The world is poised to become increasingly connected, virtual, and digital, and it is within this transformational landscape that telcos can forge a path to create unparalleled value.

A Glimpse into Tomorrow: The Future Customer and Telco Evolution

In the future, our customers will be augmented by AI agents, self-generating content in virtual worlds. Phones will be replaced by robotic agents, and communication will shift from personalization to self-generation. The move from graphical to conversational user interfaces will transform interactions into digital beings conversing in augmented reality. In this metaverse, AI agents will connect, making traditional call detail records obsolete. Connectivity will remain the bedrock of diverse experiences, and we are committed to providing seamless solutions for this revolutionary landscape. We aim to embrace the transformative potential of the future customer, where the lines between reality and virtuality blur, and lead the way in shaping a connected metaverse. Together, we can unlock the boundless opportunities that await in this new world.

Empowering Transformation for AI-Augmented Customers

As visionary leaders, we must ensure that our capabilities align with the future customer. Flexibility, on-demand adaptability, and a focus on learning systems are paramount. Automated but static workflows of today will soon give way to agents autonomously discovering and conducting workflows. Static networks will become shape-shifting realities, driven by the strides of 6G and beyond.

The advent of generative AI, such as ChatGPT, marks a pivotal moment. Our future lies in orchestrating large language models (LLMs) to seamlessly manage user interfaces, workflows, and interconnected components. It's no longer just about software; it's about cultivating LLMs that can lead us to innovation.

One such innovation will be in the realm of support. Once confined to call centers, leveraging the LLM, support will evolve into agile co-pilots. These co-pilots will provide real-time assistance using an internal knowledge base and trusted domains to efficiently handle customer issues. The convergence of AI, Cloud, and network as a service (NaaS) concepts will drive unmatched customer experiences.

Navigating the Winds of Change: Embracing Telco Disruptions

To realize this future value, the telco industry is undergoing massive transformations. This transformative landscape is characterized by four key disruptions –

Firstly, the disruption of experience across content, commerce, and cash demands answers to critical questions:

A. How can telcos remain relevant to the future customer?
B. What innovative approaches can be taken to monetize services effectively?
B. What new revenue use cases can be explored to stay ahead of the curve?
C. Should the focus be on retail or enterprise customers for optimal growth?

Secondly, delivery disruption is already underway, impacting network architecture decisions – standalone (SA) vs. non-standalone (NSA). The challenge for telcos lies in sharing networks while optimizing assets amid capex pressures and the complexities of fixed mobile convergence.

Thirdly, ecosystem disruption, fueled by the advent of 5G and 6G, alongside content, commerce, and cash disruptions, has brought numerous partners into play to deliver enhanced experiences. This shift necessitates managing an array of complex relationships, emphasizing APIs over traditional contracts, and navigating a plethora of evolving business models.

Lastly, technology disruption is driven by the continuous evolution of 5G, 6G, AI, cloud, private networks, fixed wireless access, and satellite internet providers. Telcos have to carefully assess relevancy, roadmap, and technology readiness to embrace these innovations seamlessly and integrate them into their existing systems.

As we take a step back to comprehend the magnitude of these changes, it becomes evident that a new chapter is being written for all telcos. The question that arises is whether they have the capabilities to manage the change on their own.

To minimize the challenges associated with building capabilities while strengthening the core, we have come up with the concept of co-authoring for this pivotal chapter. Together, we can foster a spirit of collaboration,

innovation, and visionary leadership, ensuring that the transformational journey into the future is one of unparalleled success.

Co-authoring Connected Experiences

At Subex, we have curated a comprehensive array of offerings to pave the way for connected experiences. Our mission is to empower telcos with personalized, seamless, secure, and intelligent solutions, as we co-author the future together.

1. Make it Personal:
Through our AI Customer Experience (CX) Studio and Digital Onboarding solutions, we aim to ensure a smooth and personalized journey for every individual.

2. Consistently Connected:
For every connected experience, we are committed to guaranteeing unwavering connectivity. Our Network Analytics and Asset Management solutions will work in harmony to ensure uninterrupted access and optimized performance.

3. Intelligence at your Service:
Intelligence is at the heart of our offerings. With our Business Assurance product line and AI Use Case Studio, we empower the enterprise with data-driven insights and a plethora of use cases to choose from, elevating enterprise operational experiences to new heights.

4. Smart Connections for Smart Businesses:
It's not just about retail; we envision smart connections for smart businesses. Our Enterprise Billing and Partner Ecosystem Management solutions will be the enterprise's steadfast allies as we together co-author this transformative journey.

5. Connect with Confidence:
At Subex, confidence is key to every connection. Our dedicated teams will manage fraud, implement robust cybersecurity measures, and ensure seamless digital identity management to safeguard connected experiences.

6. Cashless Convenience:
As commerce increasingly becomes cashless, our AI Fintech Studio will play a pivotal role in monitoring transactions, preventing fraud, and unlocking a multitude of secure and convenient cashless use cases.
With these offerings, Subex is poised to co-author the enterprise's connected experiences with passion, dedication, and innovative solutions.

End to End Co-author of Next-Gen Use Cases

The idea is to become the end-to-end co-author for the enterprise's next-generation use cases. Take the example of advance credit. Advance Credit has become a crucial use case in consumer transactions, offering customers instant credit access at the point of sale, bill payment, and during roaming. This innovation enhances purchasing power and convenience while meeting evolving customer expectations. For telcos, it presents an opportunity to boost revenue and foster loyalty through seamless credit integration.

Subex is equipped to support telcos with comprehensive advance credit capabilities. We:

- Personalize the process, ensuring digital onboarding, live verification, and AI chatbots for optimal credit choices
- Guarantee seamless, cashless, and fraud-free transactions using predictive ticketing
- Ensure secure online transactions supported by transaction monitoring, fraud tracking, and anomaly detection capabilities
- Maintain consistent connectivity for seamless transactional experiences.
- Conduct extensive digital identity, e-KYC, and anti-money laundering checks for robust cybersecurity
- Provide intelligence on credit scoring, revenue assurance, and product profitability analysis through conversational UI

We offer end-to-end co-authoring for holistic use cases and go beyond mere point-based solutions. We accomplish it by collaborating with various technology partners.

Subex...pivoting to a Next Gen Stack

To meet future demands, we are pivoting to a next-gen stack, ready to co-author use cases with our telco customers. Our Hypersense platform is cloud and marketplace ready, and we have powered it with AI and generative AI capabilities. Integrating LLMs ensures exceptional customer experiences. Leveraging the platform, enterprises can manage their fintech, fraud, security, network, and enterprise use cases seamlessly. Our stack accelerates revenue drivers across content, commerce, and cash, ensuring your success.

Future Delivered, Today

The rapid adoption of our next-gen stack is becoming evident as more than 200 global customers and over 300 installations spanning nearly 100 countries embrace its transformative potential. Our platform is already co-authoring the future with numerous players in the telco industry. This widespread acceptance and successful implementation validate its ability to revolutionize telco operations, ushering in an era of enhanced efficiency, superior customer experiences, and unparalleled revenue growth. As we continue to expand our network of partners, we are confident that this platform will remain at the forefront of reshaping the telco landscape, driving innovation, and propelling the industry towards unprecedented heights.

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

As we navigate the expansive seas of the telecom industry, our steadfast commitment to innovation and adaptation remains unwavering. Today, I am privileged to share significant developments within our organization and a refined strategic blueprint designed to solidify Subex's leadership in this dynamic sector.

We are embarking on a new chapter with the appointment of Ms. Nisha Dutt as the Chief Executive Officer, succeeding Mr. Vinod Kumar Padmanabhan. With more than two decades of substantial experience across diverse domains, including consulting, advisory roles, investment banking, and technology entrepreneurship, Ms. Dutt brings a wealth of knowledge and expertise to Subex, making her an ideal torchbearer for the next phase of our evolution.

This leadership transition represents a significant shift for our organization, signaling a transformative stage that infuses fresh perspectives and renewed dynamism into our strategic endeavours. We are confident that under Ms. Dutt's adept stewardship, Subex's commitment to delivering unparalleled innovation, excellence, and customer satisfaction will reach new heights.

Central to our strategic recalibration is an intensified focus on cutting-edge technologies, notably Artificial Intelligence (AI) and 5G. Subex is primed to exploit the boundless possibilities of Generative AI, private 5G networks and plethora of technologies which serve as formidable tools in reshaping our response to the complex challenges confronting the telecom sector. These tools will enable us to address previously unattended issues with a level of sophistication and effectiveness unparalleled in our industry.

Simultaneously, we envisage a strategic expansion into related spheres by leveraging our core competencies. This strategic broadening aims to address larger, more systemic challenges within the telecom industry, further consolidating our standing as a comprehensive solution provider in the eyes of our esteemed clientele.

The advent of 5G has ushered the telecom industry into a transformative phase teeming with both opportunities and challenges. Subex, with its robust legacy and a skilled, dedicated team, is uniquely poised to capitalize on these emerging prospects. We perceive this transformation not merely as a wave to ride, but as a promising new epoch that we are prepared to lead.

As we embark on this exhilarating journey of transformation, I wish to underscore that our unwavering dedication to you, our esteemed shareholders, remains unequivocal. Your continued faith in our vision propels us forward as we strive to reinforce Subex's position as a global vanguard in the telecom industry.

We express our heartfelt gratitude for your enduring trust and support. We eagerly anticipate progressing together on this remarkable journey, exploring new horizons, and pioneering the future contours of the telecom industry.

Anil Singhvi,
Chairman, Non-Executive & Non-Independent Director

Spearheading the Transition with Strategic Vision and Customer Focus

A conversation with

Nisha Dutt,
Chief Executive Officer

What is your vision for Subex, and how does it compare with the company's past strategic direction?

I see AI and 5G as the driving forces behind a transformative future, where data-driven insights and low-latency connectivity will enhance decision-making and user experiences. My vision for Subex is to leverage this convergence to enable autonomous systems, revolutionizing the telecom industry with unprecedented efficiency and safety.

In the past few years, we have been continuously expanding our capabilities in our Hypersense line of offerings including Fraud Management, Business Assurance, Network Asset Management, and Capacity Management. Our mission to "always evolve and never stagnate" is proving to be our biggest advantage. Deploying AI technologies has become our biggest learning opportunity enabling us to make significant advances in creating connected experiences for customers.

With trust as our core tenet of connected experiences, we remain committed to progressively broadening our playbook which now aims to create personalized, intelligentconnected experiences which also presents us with a larger total addressable market (TAM). Embracing this bold vision, we are driven to push the boundaries of innovation and set new benchmarks, striving for excellence in everything we do.

Could you elaborate on how your prior experience on the board of Subex has equipped you for your new role as CEO?

My prior experience on the board of Subex has provided me with invaluable insights into the company's operations, strategic vision, and governance. This knowledge equips me to step into the role of CEO with a comprehensive understanding of Subex's business model, the industry landscape, and our vital stakeholder relationships. With a strategic and growth mindset, I am confident in my ability to foster teamwork and build consensus among our teams.

I believe my experiences put me in an excellent position to drive Subex's success in my new role and guide the company through its transformative journey. I have a clear perspective on the levers that can unlock growth opportunities and the agility to act swiftly on them. Moreover, my familiarity with leadership and understanding of board-level issues add to my capabilities as a leader.

I am grateful for the opportunity to lead Subex and remain committed to steering the company towards continued success, leveraging my expertise and the dedication of our talented teams.

How will Subex balance its focus on achieving profitability and investing in future technology, particularly AI?

At Subex, our guiding principle is our long-term vision, which serves as the bedrock for all our financial decisions. Striking the right balance between short-term profitability and long-term growth is paramount. We will prioritize our investments, strategically, considering initiatives that promise both immediate returns and sustainable expansion.

To achieve this, strategic resource allocation will be central to maintaining a balance between current profitability and future technological investments. Our approach will be data-driven, with each investment, including AI, undergoing rigorous ROI analysis. This ensures that our choices are well-informed and contribute positively to our profitability.

Collaboration is a powerful tool, and we will seek strategic partnerships, like the one we have with Google Cloud Platform (GCP), to share the costs of research and development in AI. Such collaborations bring complementary expertise, accelerate our initiatives, and manage costs efficiently.

Diversifying our revenue streams will be key to transformation, and we will forge strong partnerships to share R&D risks. Our commitment to an ROI culture will be unwavering, with a robust institutionalized build versus buy framework to guide our decisions. Embracing innovation, we will adopt a milestone-based approach to new investments, encouraging a "fail fast, fail cheap" mindset that fosters adaptability and learning.

Diligently managing risks, especially in the realm of technology, is fundamental to our journey. An overarching risk management framework will ensure that we effectively assess and mitigate potential pitfalls.

What is your approach towards the long-term sustainability of Subex, and how do you see the AI offerings playing a part in that?

I have a four-pronged approach toward the long-term sustainability of Subex. Firstly, customer centricity is a key priority and the anchor of our solutions. We focus on customer-driven use cases, allowing us to be agnostic to underlying tech changes.

Secondly, domain knowledge is a critical asset, and here's where AI plays a major role. We encapsulate our team's domain knowledge in AI models to minimize talent risks and differentiate our products.

Thirdly, continuous innovation at scale is vital. To achieve this, we have institutionalized a high-vitality innovation engine. Additionally, accomplishing competitive benchmarks in revenue and cash at scale enables us to fund more such initiatives.

Lastly, operational efficiency is the core of our strategy. For this, our focus is on retaining top talent and providing them with the right resources to do things faster and better, with a razor-sharp focus on cost-effectiveness.

The AI industry is highly competitive. How does Subex plan to distinguish itself from other companies in this space?

The AI industry is indeed highly competitive. In this competitive environment, Subex sets itself apart by leveraging its extensive domain expertise and decades of experience in working with telecom datasets. This nuanced understanding allows us to make AI solutions more meaningful and impactful. Our proprietary models are tailored to address the unique challenges of the telecom sector, providing valuable insights that optimize operations, enhance revenue assurance, improve customer experiences, and effectively mitigate fraud.

We protect our uniqueness by utilizing our unique datasets and embedding AI in our products, ensuring they cannot be easily replaced. Trust is indispensable, and we double down on building strong customer relationships through exceptional experiences and superior service, capitalizing on our decades of domain knowledge.

We also employ AI to create a learning engine, making our products more interactive and capable of learning from user experiences. This innovative approach, enabled by generative AI, allows us to become the repository of connected customer experiences, setting us apart from the competition. In essence, Subex's commitment to innovation, domain expertise, customer-centricity, and cutting-edge AI technologies makes us a trusted partner for delivering tangible results in the telecommunications domain, keeping us ahead in this fiercely competitive landscape.

Can you discuss any key initiatives or projects that Subex will be launching in the near future to demonstrate our strengthened commitment to AI?

It would not be prudent to reveal the projects before they are launched. However, there are a few upcoming launches that I am excited about. For example, we are in the process of broadening our Hypersense AI offerings with Generative AI capabilities. I'm witnessing tremendous opportunities in unbundled and standalone AI studio functionalities.

We are also looking at offering pre-wired AI pipelines across multiple telco use cases. This is a promising opportunity for telcos that are looking to expand their "data world" intelligence capabilities. You must not miss our recently launched Connected Experiences stack pivot. It's getting rave reviews for its ability to empower telcos with personalized, reliable, trustworthy, and intelligent solutions.

As the company undergoes this transition, how will you ensure that our core values are upheld and that our corporate culture remains strong?

Maintaining and preserving our corporate culture is essential during this transition. As we embrace our new strategic direction, I am deeply committed to upholding the values that make Subex an exceptional place to work, with a strong emphasis on fostering a culture of innovation and excellence.

Innovation has been the cornerstone of Subex's success, and I believe that it will continue to drive us forward in this new era. We will encourage and support our teams to think creatively, explore new possibilities, and challenge the status quo. Our focus will be on building truly world-class products that meet the evolving needs of our customers and the industry.

To achieve this, we will foster an environment that encourages collaboration, open communication, and knowledge sharing. Our employees will have the freedom to experiment and take calculated risks, knowing that their efforts are valued and supported. We will nurture a culture where ideas are welcomed, and individuals are empowered to contribute to the development of ground-breaking solutions. We understand the importance of speed and agility in the current competitive landscape.

While maintaining our commitment to quality, we will emphasize faster development cycles and rapid iterations to deliver products that stay ahead of the market demands with a focus on customer-centricity. We will also invest in the right resources and technologies to accelerate product development without compromising on excellence.

As you take the helm of Subex, how will you ensure continuous and open communication with shareholders, customers, and employees?

As I step into the leadership role at Subex, I want to emphasize the utmost importance of fostering open and continuous communication with our shareholders, customers, and employees. Transparent and proactive communication is the foundation of strong relationships and is essential for achieving our shared goals.

To our shareholders, I assure you that we will provide regular updates on our financial performance, strategic initiatives, and any developments that impact the company's trajectory. I will benchmark peer companies and their playbooks to enhance our shareholder value creation approach. Your trust and confidence are crucial to our success, and we will be diligent in sharing information and addressing your concerns.

To our valued customers, we are committed to listening to your feedback and understanding your evolving needs. We will create various channels for communication, ensuring that your voices are heard, and your experiences are considered in every decision we make. To demonstrate our commitment, we will spend significant time with our customers and co-create solutions.

For our dedicated employees, I recognize that open and transparent communication is the cornerstone of a thriving work culture. I will prioritize regular town hall meetings, where you can openly express your thoughts, ideas, and concerns. Your passion and dedication drive our success, and your input is instrumental in shaping Subex's future.

Furthermore, when making strategic decisions, we will provide clarity on our thought processes and the factors influencing our choices. We believe in a collaborative approach and will actively seek input from all stakeholders to ensure well-informed and thoughtful decision-making.

Through consistent updates on our website, social media channels, and newsletters, we will keep all stakeholders informed about our progress, milestones, and industry insights. We will maintain an open-door policy, encouraging direct communication and accessibility.

Finally, what would your message be to our shareholders, customers, and employees as we enter this exciting new phase for Subex?

As we embark on this exciting new phase for Subex, I want to express my deep appreciation for your continued support and trust in our vision. We are entering an era of immense potential and opportunity, and our commitment to innovation and growth remains unwavering. With an AI-first and 5G ready approach, we aim to create substantial value for our shareholders by delivering cutting-edge solutions that address the evolving needs of the telecom industry. Your investment in Subex is a testament to our collective belief in a brighter, technology-driven future, and we are dedicated to maximizing returns and long-term success.

As we take on this transformative path and move toward delivering connected experiences to our customers, I am filled with confidence and excitement for what lies ahead. Subex is well-positioned to embrace the opportunities that AI brings and emerge as a leader in the telecom industry. Our core values will guide us, and our commitment to delivering exceptional value to our stakeholders will remain steadfast. Together, we will shape a future that is marked by innovation, collaboration, and success. Thank you for being part of this remarkable journey with us.

QUICK FACTS

1994
Foundation of Company
01

25+
Years of experience
02

1000+
Employees
03

300+
Global Installations
04

90+
Countries
05

200+
Customers Globally
06

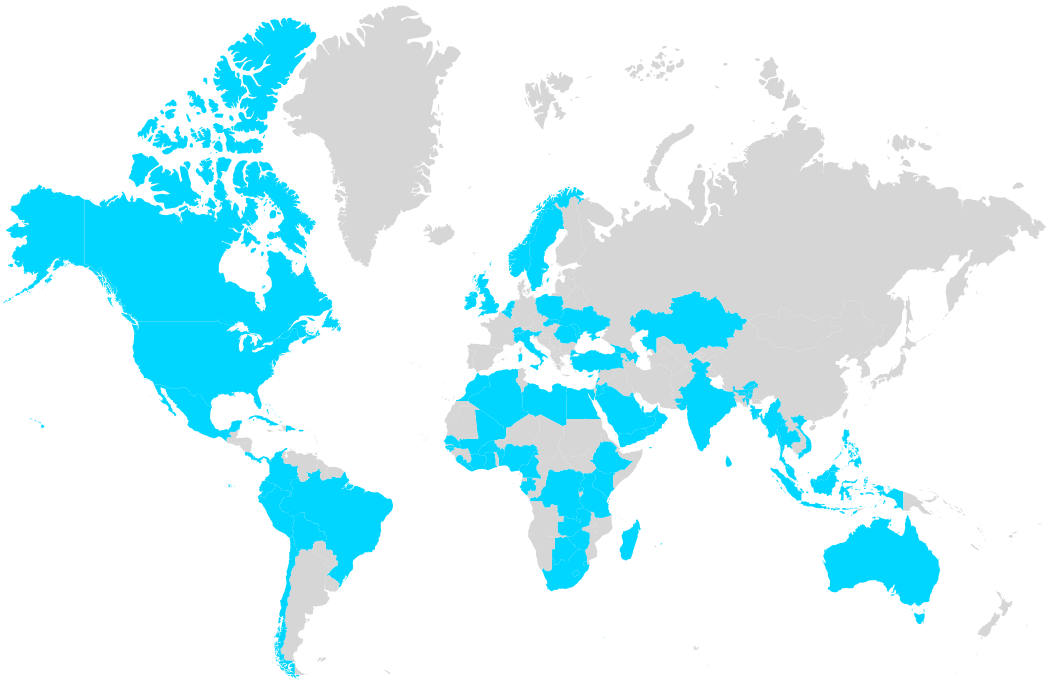
40+
Industry Awards
07

US$ 4.2mn
R&D spend in new areas in FY23
08

INVESTMENT HIGHLIGHTS

- Leader in Telecom AI and analytics space and helping businesses thrive by creating connected experiences
- Sticky Revenue Model – about 60% of revenue is annuity / recurring and >98% customer retention
- Investing heavily in newer areas like Genarative AI
- Passionate and committed team led by CEO Nisha Dutt with renewed focus on growth
- Received significant industry validation, and market recognition for our AI offerings

WHERE WE OPERATE



OUR DISTINCTIVE RESOURCES

1

PEOPLE

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

2

CUSTOMERS

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

3

OUR BRANDS

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

4

INNOVATION

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

5

PARTNERS & SUPPLIERS

Our partners & suppliers also form a core of our ecosystem

OUR BUSINESS AT GLANCE

As the world gradually adapted to the new normal following the unprecedented events of the past couple of years, the telecommunications industry found itself at the forefront of the global transformation. With consumers and businesses heavily relying on connectivity solutions, the demand for telecom services experienced a significant resurgence. In this landscape, Subex, a leading player in the industry, emerged as a key enabler of this revival, thanks to its innovative offerings and strategic initiatives.

A crucial turning point for Subex during this period was the appointment of a new CEO, who brought in a fresh perspective and vision for the company. This new leadership was committed to steering Subex towards sustainable growth and profitability, prioritizing customer-centric solutions. The CEO's strategic direction resonated well with clients worldwide, earning positive responses and fostering stronger partnerships.

One of the pivotal decisions that the new leadership made was to invest heavily in AI initiatives. Recognizing the potential of artificial intelligence in transforming the telecom sector, Subex integrated AI into its solutions. Customers were quick to embrace these AI-led projects, experiencing enhanced efficiency and gaining valuable insights. The success of these deployments led to an upswing in new project collaborations for Subex, solidifying its position as an industry leader in AI-driven telecom solutions.

Buoyed by the momentum from successful AI implementations, Subex is now poised for the next phase of growth under its dynamic leadership. The company is meticulously fine-tuning its strategic approach to maintain a competitive edge in the fast-evolving telecom market. Innovation remains at the core of Subex's strategy, as it continues to pioneer cutting-edge solutions to address the evolving needs of its customers.

Customer satisfaction continues to be a top priority for Subex. The company's unwavering commitment to providing tailor-made solutions that cater to specific client requirements has been instrumental in nurturing long-lasting partnerships. Through proactive engagement and personalized support, Subex has managed to earn the trust and loyalty of its global clientele.

The company's innovative portfolio encompasses a wide range of solutions that cater to diverse industry needs. From telecom analytics and fraud management to revenue assurance and network management, Subex's comprehensive suite of products has been widely acclaimed for its effectiveness and efficiency.

Moreover, Subex has also expanded its focus beyond traditional telecom services. Recognizing the growing significance of the Internet of Things (IoT) and 5G, the company has ventured into providing IoT security and managing the complexities of 5G networks. These strategic forays have allowed Subex to tap into new revenue streams and diversify its offerings, making it a more resilient and future-ready organization.

Looking ahead, Subex envisions a future where it continues to be a key enabler of digital transformation across industries. The company remains committed to staying ahead of the curve by anticipating market trends and harnessing the power of emerging technologies. By fostering a culture of innovation and continuous improvement, Subex aims to remain the go-to partner for businesses seeking transformative telecom solutions.

In conclusion, Subex's journey towards sustained success in the telecom industry has been marked by resilience, innovation, and customer-centricity. With a new leadership vision, a strategic focus on AI, and a commitment to ethical practices, the company has solidified its position as a global leader in the telecom space. As the world continues to evolve, Subex is well-prepared to embrace new challenges and opportunities, ensuring a promising future for itself and its customers in the years to come.

SUBEX CHARITABLE TRUST

Subex through its charitable wing, Subex Charitable Trust (SCT) is committed to making a positive impact in the community through its philanthropic initiatives. Through partnerships with local non-profits and employee volunteering programs, SCT actively supports causes such as education, social welfare, and environmental conservation, striving to create a better future for all.

Last year, SCT directed its efforts towards establishing the foundational infrastructure of the school in alignment with our 5-year plan. This involved:

1. Strengthening the structural integrity of all existing classrooms.
2. Renovating the entirety of the school's flooring.
3. Introducing teaching faculty members who contribute to the comprehensive growth of the students.
4. Establishing an enduring Menstrual Hygiene Management (MHM) program for all female students in the school.

This saw tremendous uptake within the student, teaching and the parent communities and we recorded an increase in the new student admission by 80% in the last academic year.
These are encouraging signs for SCT to run the 2nd year plan in full swing and are focused to make GHPS Doddabanahalli into a top class school in the coming years which emphasises on holistic development of the children.

The vision of SCT for GHPS Doddabanahalli is to bring it on par with any private funded schools. SCT will focus on holistic development of the children and has joined forces with the school management and a non-profit namely Reaching Hand, to ensure all the fundamental amenities are being provided to the children and further modernize the school.

Below are the developmental initiatives by SCT for year 2:

- Aiding retention of teaching faculty
- Infrastructure addition with 3 new classrooms
- Establishing extra-curricular initiatives
- Student mental health camp
- Menstrual health management
- Physical health camp

Our aim is to transform GHPS Doddabanahalli into the best government educational institute in Bangalore which will focus on the students' holistic growth.

BOARD OF DIRECTORS

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

POORNIMA PRABHU
Independent Director

GEORGE ZACHARIAS
Independent Director

VINOD KUMAR PADMANABHAN
Non- Executive & Non-Independent Director

RUPINDER GOEL
Independent Director

ARCHANA MUTHAPPA
Independent Director

LEADERSHIP TEAM

NISHA DUTT
Chief Executive Officer

SHIVA SHANKAR NAGA RODDAM
Chief Operating Officer

SURESH CHINTADA
Chief Technology Officer

SUMIT KUMAR
Chief Financial Officer

ASHA SUBRAMANIAN
Chief Human Resources Officer

HARSHA ANGERI
Vice President - Corporate Strategy

ROHIT MAHESHWARI
Head of Product Strategy

KIRAN ZACHARIAH
Head of IoT Security

SURAJ BALACHANDRAN
Business Unit Head - APAC & Africa

WARREN DUMANSKI
Executive Vice President and General Manager, North America

BHAVNA SINGH
General Counsel

KRISHNAKANTH G V
Company Secretary & Compliance Officer

BOARD'S REPORT

Dear Members,

Your Directors take pleasure in presenting the 29th Annual Report of the Company on the business and operations together with the audited results for the year ended March 31, 2023.

1. FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2023, is summarized as below

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Total Revenue	27,869	33,344	27,352	6,836
Share of Profit/ (Loss) from Limited Liability Partnerships, net	-	-	(3,159)	(1,273)
Other Income	816	1,037	242	6
Finance Cost	258	194	230	12
Profit/ (Loss) before tax	(3,906)	3,369	(7,699)	(447)
Tax expenses	1,215	1,270	(823)	-
Profit/ (Loss) after tax	(5,121)	2,099	(6,876)	(447)
Other comprehensive income/(loss)	620	203	19	(3)
a) to be reclassified to profit or loss in subsequent periods	581	267	Nil	NIL
b) not to be reclassified to profit or loss in subsequent periods	39	(64)	19	(3)
Total comprehensive income for the year	(4,501)	2,302	(6,857)	(450)

2. STATE OF AFFAIRS

As the world gradually adapted to the new normal, the industry experienced a resurgence in demand for telecom services, with consumers and businesses relying heavily on connectivity solutions. Subex played a pivotal role in supporting this revival through its innovative offerings and strategic initiatives.

The company underwent a crucial management change during the first quarter of the FY 24, with the appointment of a new CEO. The fresh leadership brought in a renewed vision and focus, guiding Subex towards sustainable growth and profitability. The new CEO's strategic direction and emphasis on customer-centric solutions garnered positive responses from clients worldwide, paving the way for stronger partnerships.

Subex's investment in AI initiatives proved to be a game-changer for the company. Customers responded favorably to the integration of artificial intelligence in their solutions, appreciating the enhanced efficiency and insights gained from AI-led projects. As a result, the company witnessed an upswing in new project collaborations across the globe.

With the momentum gained from successful AI deployments, Subex now looks forward to the next phase of growth under its new leadership. The company is diligently fine-tuning its strategic approach to stay ahead in the dynamic telecom market. As they continue to pioneer innovative solutions and prioritize customer needs, Subex is poised for a promising future, ensuring their sustained success in the years to come.

During the financial year ended March 31, 2023, the total income on a standalone basis was ₹ 27,594 lakhs as against the total income for the previous year which was ₹ 6,842 lakhs. The Company has during the year under review incurred a loss of ₹ 6,876 lakhs as against a loss of ₹ 447 lakhs in the previous year. On a consolidated basis, the total income stood at ₹ 28,685 lakhs as against ₹ 34,381 lakhs during the previous year. The loss incurred for the financial year 2022-23 is ₹ 5,121 lakhs as against a profit of ₹ 2,099 lakhs in the previous year.

3. DIVIDEND

The Board has not proposed any dividend to be paid for the financial year 2022-23.

The dividend distribution policy of the Company is available under the link https://www.subex.com/investors/shareholder-services/.

4. RESERVES

The Company does not propose to transfer amounts to the general reserve out of the amount available for appropriation due to losses in the current year.

5. SHARE CAPITAL

As of March 31, 2023, the authorized share capital of the Company was ₹ 590,00,00,000 (Rupees Five hundred and ninety crores only) divided into 117,60,80,000 (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 of March 31, 2023, the issued, subscribed, and paid-up share capital of the Company was ₹ 281,00,14,675 (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. During the period under review, there is no change in share capital of the Company.

6. SECRETARIAL STANDARDS

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

7. BUSINESS

Subex is committed to help Communications Service Providers (CSP) create connected experiences in the digital world. Today, we provide 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 AI-first line of offerings, Subex empowers communications service providers and enterprise customers to make faster, better decisions by leveraging Artificial Intelligence (AI) analytics across the data value chain.

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 FY22-23

Key Announcements in FY22-23

HyperSense named in 2022 Gartner® Market Guide for Multipersona Data Science and Machine Learning Platforms

Subex, a pioneer in the space of telecom AI, has been named in 2022 Gartner® Market Guide for Multipersona Data Science and Machine Learning Platforms (DSML). According to this Market Guide for Multipersona Data Science and Machine Learning Platforms, "Data science and machine learning are evolving rapidly with key trends such as augmentation and democratization. To support the needs of an increasingly diverse group of technical and nontechnical roles, data and analytics leaders should apply multipersona DSML platforms.

Ethio Telecom selects HyperSense Fraud Management

Subex announced that it has been selected by Ethio Telecom to deploy its Fraud Management solution. The solution, which is built on Subex's AI orchestration platform, HyperSense, will replace Ethio Telecom's existing legacy fraud management system, thereby enabling them to move from a traditional rules-based approach to an AI-first approach. This approach will, in-turn, enable them to detect new and unknown threats in real-time.

Unitel selects Subex for protection against telecom fraud

Subex announced that it has been selected by Asian telecommunications and internet major Unitel LLC to help the operator in its fight against fraud and digital crimes. As part of the agreement, Subex's Signaling Security solution will help Unitel leverage signaling data for the early detection and mitigation of all types of fraud, thereby ensuring the prevention of any loss of information or revenue.

Subex to Showcase its AI Solutions at MWC

Subex showcased of its AI solutions at MWC. Subex showcased its award-winning platform, HyperSense AI, and its capabilities to cover many AI-related use cases. Towards this, Subex demonstrated its HyperSense AI-led solutions to drive growth, protect revenues, enhance profitability, optimize Capex and expand digital service offerings.

8. SUBSIDIARIES (WHOLLY OWNED AND OTHER SUBSIDIARIES)

As on March 31, 2023, the Company has 11 subsidiaries.

SUBEX ASSURANCE LLP AND ITS SUBSIDIARIES

For the year ended March 31, 2023, Subex Assurance LLP earned a net income of ₹ 2,318 lakhs as against net income of ₹ 29,204 lakhs in the previous year and a net loss of ₹ 793 lakhs, as against a net Profit of ₹ 1,353 lakhs in the previous year.

As at March 31, 2023, 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, 2023, the Standalone net income of Subex (UK) Limited was ₹ 17,908 lakhs as against ₹ 18,820 lakhs in the previous year, and a net loss of ₹ 934 lakhs as against ₹ 84 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, 2023, the Standalone net income of Subex (Asia Pacific) Pte. Limited was ₹ 5,073 lakhs as against ₹ 3,895 lakhs in the previous year, and a net profit of ₹ 101 lakhs as against a net profit of ₹ 143 lakhs in the previous year.
- Subex Inc. is a wholly owned subsidiary of Subex (UK) Limited. For the year ended March 31, 2023, the Standalone net income of Subex Inc. was ₹ 5,980 lakhs as against ₹ 9,727 lakhs in the previous year, and the net profit of ₹ 272 lakhs as against a net profit of ₹ 914 lakhs in the previous year.
- Subex Middle East (FZE) is a wholly owned subsidiary of Subex Assurance LLP. For the year ended March 31, 2023, the standalone net income of Subex Middle East (FZE) is

₹ 765 lakhs as against ₹ 2,889 lakhs in the previous year and net loss of ₹ 1486 lakhs as against a net loss of ₹ 518 lakhs in the previous year.

- Subex Bangladesh Private Limited, is a wholly owned subsidiary of Subex Assurance LLP. For the year ended March 31, 2023, the standalone net income of Subex Bangladesh Private Limited is ₹ 526 Lakhs as against ₹ 903 lakhs and net loss of ₹ 69 lakhs as against ₹ 20 lakhs.

SUBEX DIGITAL LLP

For the year ended March 31, 2023, Subex Digital LLP earned a net income of ₹ 2,324 lakhs as against ₹ 1,839 lakhs in the previous year, and a net loss of ₹ 2,355 lakhs as against a net loss of ₹ 2,618 lakhs in the previous year.

As at March 31, 2023, 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, 2023, Subex Technologies Limited incurred a net loss of ₹ 3 lakhs as against net loss of ₹ 4 lakhs in the previous year.

SUBEX AMERICAS INC.

For the year ended March 31, 2023, the standalone net income of Subex Americas Inc. is ₹ 982 lakhs as against ₹ 1,083 lakhs in the previous year, and a net loss is ₹ 56 lakhs as against a net loss of ₹ 33 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, 2023, Subex Limited holds 100 common shares (92.59%) in the capital of Subex Americas Inc.

SUBEX ACCOUNT AGGREGATOR SERVICES PRIVATE LIMITED

Subex Account Aggregator Services Private Limited is a wholly owned subsidiary of Subex Limited. For the year ended March 31, 2023, the Standalone net income of Subex Account Aggregator Services Private Limited was ₹ 8 lakhs, and a net loss of ₹ 3 lakhs.

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/.

9. 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.

10. EMPLOYEE STOCK OPTIONS SCHEMES

The Employee Stock Option scheme of the Company endeavors 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 scheme. Additional details have also been disclosed under Note 34 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 and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are available on the Company's website under the following link https://www.subex.com/investors/announcement-filing/#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. No options were granted to the eligible employees during the financial year 2022-23.

11. 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 number 31 & 32 to the Standalone Financial Statements.

12. 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 2022-23 and the date of this report, affecting the financial position of the Company.

13. 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.

14. 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.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company is formed with an optimum combination of Executive and Non-Executive Directors, which not only meet the legal obligation but also make a diversified Board with a mixed blend of experiences, expertise, and professionals. The details of Board and committee composition, tenure of directors, areas of expertise and other details are available in the Corporate governance report that forms part of this Annual Report.

RETIREMENT BY ROTATION

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. Anil Singhvi, Non-executive, Non-Independent Director, who retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

APPOINTMENT/ RE-APPOINTMENT/CESSATION

Mr. Vinod Kumar Padmanabhan at the Board Meeting held on April 17, 2023, had requested early retirement from the position of Managing Director & Chief Executive Officer of the Company which would have been otherwise valid till March 31, 2024. The Board of Directors took note of it and reluctantly accepted his request. Mr. Vinod Kumar Padmanabhan continued as the Managing Director & Chief Executive Officer of the Company till close of business hours on May 1, 2023, and is currently serving on the Board of the Company as Non-Executive, Non-Independent Director.

Ms. Nisha Dutt resigned as Non-Executive Independent Director of the Company with effect close of business hours on May 1, 2023. Further, the Board of Directors, on the recommendation of the Nomination & Remuneration Committee appointed Ms. Nisha Dutt as the Chief Executive Officer of the Company with effect from May 2, 2023.

The Board of Directors, at its meeting held on February 3, 2023, based on the recommendation of Nomination & Remuneration Committee had re-appointed Mr. Shiva Shankar Naga Roddam, as a Whole-Time director (liable to retire by rotation) of the company for a further period of 3 (three) years, with effect from February 7, 2023 to February 6, 2026, subject to the approval of the Members. The Company proposed the special resolution for obtaining the shareholders' approval vide Postal Ballot Notice dated February 3, 2023. However, the Special Resolution proposed in the Postal Ballot notice dated February 3, 2023 was not passed by requisite majority. Consequently, Mr. Shiva Shankar Naga Roddam discontinued as a Director as well as Whole-time Director of the Company with effect from close of business hours on May 03, 2023.

The Board of Directors at its meeting held on August 8, 2023, based on the recommendation of Nomination & Remuneration Committee has appointed Mr. Rupinder Goel and Ms. Archana Muthappa as Additional Directors (Category: Non-Executive, Independent) on the Board of the Company for a period of 3 (three) years commencing from August 8, 2023, subject to the approval of the shareholders of the Company by way of a Special Resolution. The said agenda forms a part of the Notice of the 29th Annual General Meeting which is being placed before the shareholders for their approval.

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/.

KEY MANAGERIAL PERSONNEL

The following have been designated as the Key Managerial Personnel of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Name of Key Managerial Personnel	Designation
1.	Mr. Vinod Kumar Padmanabhan (Resigned w.e.f. May 1, 2023)	Managing Director & CEO
2.	Ms. Nisha Dutt (assumed the role of CEO with effect from May 2, 2023)	Chief Executive Officer
3.	Mr. Shiva Shankar Naga Roddam (Resigned w.e.f. May 3, 2023)	Whole-time Director & COO
4.	Mr. Sumit Kumar	Chief Financial Officer
5.	Mr. G V Krishnakanth	Company Secretary & Compliance Officer

16. BOARD MEETINGS

During the year, five 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
1/2022-23	April 5, 2022
2/2022-23	May 30, 2022
3/2022-23	August 8, 2022
4/2022-23	November 14, 2022
5/2022-23	February 3, 2023

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

17. 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 April 17, 2023, 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.

The Independent Directors of the Company at its separate meeting held during the year also reviewed the performance of Non-Independent Directors and Board as a Whole and Chairman of the Company taking into account the views of Executive Directors and Non-Executive Directors.

18. DETAILS RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL

The Company's Policy on Director's Appointment and Remuneration has been uploaded on the website of the Company https://www.subex.com/investors/shareholder-services/. Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **"Annexure D"**, which is annexed hereto and forms part of the Directors' Report.

19. AUDIT COMMITTEE

As on March 31, 2023, 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

Note: The Board re-constituted the Committee with effect from May 02, 2023 pursuant to the changes in the Board of Directors

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).

20. 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 up to the conclusion of the 31st AGM and the said re-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, 2023, does not contain any qualifications, reservations, or adverse remarks.

21. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement comprising the names of top 10 (ten) employees in terms of remuneration drawn and every person employed throughout or part of the financial year, who were in receipt of remuneration as per the prescribed limit, forms part of Directors' Report.

The above Annexure is not being sent along with this Annual Report to the Members of the Company in line with the provision of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at investorrelations@subex.com. The aforesaid Annexure is also available for inspection by Members on any working day at the Registered Office of the Company up to the date of the Annual General Meeting. Members seeking to inspect such documents can send an email at investorrelations@subex.com.

22. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Securities and Exchange Board of India ('SEBI'), in May 2021 introduced new sustainability related reporting requirements to be reported in the specific format which is a notable departure from the existing Business Responsibility Report and a significant step towards giving platform to the companies to report the initiatives taken by them in areas of environment, social and governance. Further, SEBI has mandated the top 1000 listed companies, based on market capitalization, to transition to Business Responsibility and Sustainability Reporting from FY 2022-23 onwards. In line with the above, the Business Responsibility and Sustainability Report forms part of this report and is also available on the Company's website at https://www.subex.com/.

23. 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 a few months, ensuring continued savings through this initiative.

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 with applicable environmental laws and regulations.

24. 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 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.

25. FOREIGN EXCHANGE INFLOW AND OUTFLOW

During the year 2022-23, total foreign exchange inflow and outflow of the Company is as follows:

i) Foreign Exchange inflow ₹ 23,601 lakhs (Previous Year ₹ 3,510 lakhs)

ii) Foreign Exchange outflow ₹ 10,592 lakhs (Previous Year ₹ 511 lakhs)

26. CORPORATE SOCIAL RESPONSIBILITY

To enable contribution to the society and other stakeholders, the Company has constituted the Corporate Social Responsibility Committee (CSR Committee) comprising of the following Directors as on March 31, 2023:

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

Note: The Board re-constituted the Committee with effect from May 02, 2023 pursuant to the changes in the Board of Directors

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 F"** 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 welfare activities for the underprivileged and the needy in society. SCT is managed by trustees elected from among the employees of the Company. Please refer page 12 of the Annual Report for details of the activities conducted during the year.

27. RISK MANAGEMENT POLICY & IMPLEMENTATION

The Risk Management Committee, as required under Regulation 21 of the SEBI (LODR) Regulations, 2015 has been constituted by the Company. According to Regulation 21(5) of the said Regulations, the provisions of Risk Management Committee shall be applicable to top 1000 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.

28. HUMAN RESOURCE MANAGEMENT

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

29. CREDIT RATING:

During the financial year 2022-23, CRISIL vide its letter ref no. RL/GDS21072/301927/Corporate Credit Rating/1022/44925/96327563 dated October 19, 2022, has, after due consideration, revised the Corporate Credit Rating (CCR) of Subex Limited to CCR BBB+/Negative (pronounced as CCR triple B plus rating with Negative outlook) from CCR A-/Stable (pronounced as CCR A minus rating with Stable outlook).

Based on the request of the Company vide its letter dated March 28, 2023, requesting CRISIL Ratings to withdraw the outstanding Corporate Credit Rating of Subex Limited, CRISIL vide its letter ref no. RL/GDS21072/317608/Corporate Credit Rating/0423/57907/96327563 dated April 21, 2023, has withdrawn the "CCR BBB+Negative" (pronounced as CCR triple B plus rating with Negative outlook) rating assigned to the Company.

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 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 a 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 the 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's 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 a 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 2022-23.

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

33. RECLASSIFICATION OF PROMOTER/ PROMOTER GROUP:

During the financial year 2022-23, the Company vide e-mail dated July 29, 2022, had received request letters dated 28th July, 2022 from Mr. Subash Menon, Mr. Sudeesh Yezhuvath, Promoters of the Company and Kivar Holdings Pvt. Ltd, member of the Promoter Group of the Company, to reclassify themselves from the existing "Promoters/Promoter Group category" to "Public category" of the Company, pursuant to Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. After analyzing the said request of reclassification and having discussed in detail, the Board of Directors of the company at their meeting held on August 8, 2022, had favorably considered the request for reclassification and have accorded their approval to the said re-classification subject to the approval of the members of the Company and the other regulatory authorities, if any, in terms of Regulation 31A of SEBI (LODR) Regulations, 2015. Further, the shareholders of the Company at the 28th Annual General Meeting held on Monday, September 19, 2022, have approved the reclassification request received from Mr. Subash Menon, Mr. Sudeesh Yezhuvath and Kivar Holdings Private Limited, Persons belonging to Promoter & Promoter Group for reclassification from "Promoter/Promoter Group" category to "Public" category.

Subsequently, the Company has filed an application dated October 17, 2022, with the BSE Limited and National Stock Exchange of India Limited. The Company also provided its responses to the queries raised by the respective exchange(s) and is awaiting the approval of the exchange(s).

34. DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

35. 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 marketing arrangements with its subsidiaries wherein there is a cross-charge done by the subsidiaries towards its efforts for the same.

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 are enclosed to this report as **"Annexure E"**.

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

There were no significant and material order passed by the Regulators or Courts during the financial year 2022-23

37. ANNUAL RETURN

A copy of the Annual Return of the Company for the Financial Year 2022-23, as required under Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 shall be placed on the Company's website at https://www.subex.com/investors/announcement-filing/#disclosures.

38. LISTING WITH STOCK EXCHANGES

The Company has paid the Annual Listing Fees for the year 2022-23 and 2023-24 to the Exchanges' where the Company's shares are listed i.e., the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

39. MAINTENANCE OF COST RECORDS

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

40. INSOLVENCY AND BANKRUPTCY CODE

During the year, there was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016), hence the requirement to disclose the details of application made or proceeding pending at the end of financial year is not applicable.

41. DISCLOSURE UNDER RULE 8(5)(XII) OF THE COMPANIES (ACCOUNTS) RULES, 2014

During the year, there were no instances where your Company required the valuation for one time settlement or while taking the loan from the Banks or Financial institutions.

42. 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, 2023, 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 of March 31, 2023, 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, 2023, 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.

43. 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, BSE Limited, National Stock Exchange of India Limited, National Securities Depository Limited, 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

Place: Bengaluru
Date: August 8, 2023

ANNEXURE A

Information as of March 31, 2023 pertaining to the Employee Stock Option Scheme of the Company

Sl. No	Particulars	ESOP 2018
1	a) Options granted as on March 31, 2023	2,61,38,500
	b) Options granted during the year	Nil
2	Options vested as on March 31, 2023	2,08,55,308
3	Options exercised as on March 31, 2023	1,32,39,200
4	No. of shares arising as a result of exercise of options during the year ended March 31, 2023	NIL#
5	Options Lapsed as on March 31, 2023	50,17,842**
6	Exercise Price	₹ 6 to ₹ 20
7	Variation of terms of options	None
8	Money realized by exercise of options as on March 31, 2023	₹ 7,94,35,200
9	Total number of options in force	95,81,458
10	Employee wise details of options granted during the year under review to:	
	(i) Key managerial personnel	Nil
	(ii) other employee receiving a grant in the year of option amounting to 5% or more of options granted during that year	Nil
	(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.	Nil
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'	₹ (1.25)
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 34 of the Standalone financials)	Refer note 34 of the Standalone financials statements
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	Refer note 34 the Standalone financials statements
	ii. expected life	
	iii. expected volatility	
	iv. expected dividends	
	v. market price on grant date	

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

There are no fresh equity shares arising out of exercise of options during the year ended March 31, 2023. Shares were transferred from the ESOP Trust against the exercise of options.

For Subex Limited

Anil Singhvi
Chairman, Non-Executive, Non-Independent Director

Place: Mumbai
Date: May 15, 2023

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") having CIN: L85110KA1994PLC016663, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the period April 01, 2022, to March 31, 2023. 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

Date: May 15, 2023
Place: Bengaluru
UDIN: F007834E000304671

Pramod S M
Partner
FCS 7834 / CP No. 13784

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, 2023

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, 2023 (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 and Overseas Direct Investment. There was no External Commercial Borrowing by the Company during the period under review.

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 **(Not Applicable to the Company during the Audit Period).**

   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021 **(Not Applicable to the Company during the Audit Period).**

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

   g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not Applicable to the Company during the Audit Period).**

   h) 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.

   i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period).**

   j) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)** and

   k) 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) The Copyright 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 BSE Limited and 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.

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 the compliance reports/ certificates of the Company Secretary which were taken on record by the Board of Directors, 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.

The following events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc. during the audit period:

a) Application for re-classification of persons belonging to the category of Promoter/ Promoter Group to public was made to National Stock Exchange of India Limited and BSE Limited and awaiting for approvals.

For V. SREEDHARAN & ASSOCIATES
Company Secretaries

(Pradeep B. Kulkarni)
Partner
FCS: 7260; CP No. 7835

Place: Bengaluru
Date: 15.05.2023
UDIN: F007260E000305833
Peer Review Certificate No: 589/2019

This report is to be read with our letter of even date which is annexed as Annexure - 1 and forms an integral part of this report.

'Annexure - 1'

To,
The Members,
Subex Limited
Pritech Park – SEZ, Block -09, 4th Floor, B Wing
Survey No. 51 to 64/4, ORR, Bellandur Village, Varthur Hobli
Bangalore – 560103

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.

For V. SREEDHARAN & ASSOCIATES

(Pradeep B. Kulkarni)
Partner
FCS: 7260; CP No. 7835

Place: Bengaluru
Date: 15.05.2023
UDIN Number: F007260E0003058333
Peer Review Certificate No. 589/2019

Secretarial compliance report of Subex Limited for the financial year ended March 31, 2023

[Pursuant to Regulation 24A of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Subex Limited (hereinafter referred as 'the listed entity'), having its Registered Office at Pritech Park - SEZ, Block-09, 4th Floor, B Wing, Sy No. 51-64/4, ORR, Bellandur Village, Varthur Hobli Bengaluru 560103.

Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide our observations thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that the listed entity has, during the review period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

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 report;

for the year ended March 31, 2023 ('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) 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) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) 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 and Sweat Equity) Regulations, 2021;

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

(g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not Applicable to the Company during the Review Period)**.

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

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

(b) The listed entity was not required to take any action as there was no observations made by the Practicing Company Secretary (Secretarial Auditors) in previous reports.

II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sl. No.	Particulars	Compliance Status (Yes/No/ N.A)	Observations/ Remarks by PCS
1.	Compliances with the following conditions while appointing / re-appointing an auditor.		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review / audit report for such quarter; or	Not applicable	The auditors of the listed entity have not resigned during the Review Period.
	ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review / audit report for such quarter as well as the next quarter; or	Not applicable	
	iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	Not applicable	
2.	Other conditions relating to resignation of statutory auditor		
	i. reporting of concerns by auditor with respect to the listed entity / its material subsidiary to the audit committee: a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings. b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the Listed entity, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable. c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor. ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	Not applicable	The Auditors of the listed entity have not reported any concerns during the Review Period.
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019.	Not applicable	The auditors of the listed entity have not resigned during the Review Period.

III. We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status	Observations/ remarks by PCS
1.	Secretarial Standards The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Listed entity Secretaries India (ICSI) as notified by the Central Government under Section 118 (10) of the Companies Act, 2013 and mandatorily applicable.	Yes	NIL
2.	Adoption and timely updation of the Policies: • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations / circulars / guidelines issued by SEBI.	Yes Yes	NIL NIL
3.	Maintenance and disclosures on Website: • The Listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s) / section of the website.	Yes Yes Yes	NIL NIL NIL
4.	Disqualification of Director: • None of the Directors of the Listed entity are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	NIL
5.	Details related to Subsidiaries of listed entities have been examined w.r.t: (a) Identification of material subsidiary companies. (b) Disclosure requirement of material as well as other subsidiaries.	Yes	NIL
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	NIL
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors, and the Committees at the start of every financial year / during the financial year as prescribed in SEBI Regulations.	Yes	Nil
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the Audit committee.	Yes Not Applicable	Nil All related party transactions entered into by the listed entity during the Review Period were duly approved by the Audit Committee.
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	NIL
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	Nil

11.	Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity / its promoters / directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	Nil
12.	Additional Non-compliances, if any: No additional non-compliance observed for all SEBI regulation / circular / guidance note etc.	Yes	Nil

For V. SREEDHARAN & ASSOCIATES
Company Secretaries

(Pradeep B. Kulkarni)
Partner
FCS: 7260; CP No. 7835

Place: Bengaluru
Date: 15.05.2023
UDIN: F007260D000386991
Peer Review Certificate No. 589/2019

Annexure- D

<table>
<tr><td>Particulars</td><td colspan="2"></td></tr>
<tr><td rowspan="10">(i) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year; *The remuneration paid also includes perquisites arising out of the exercise of ESOPs</td><td>Non-Executive Directors / Independent Director</td><td>Ratio to the median remuneration</td></tr>
<tr><td>Mr. Anil Singhvi</td><td>2.7 : 1</td></tr>
<tr><td>Ms. Nisha Dutt@</td><td>2.3 : 1</td></tr>
<tr><td>Ms. Poornima Prabhu</td><td>2.4 : 1</td></tr>
<tr><td>Mr. George Zacharias</td><td>1.9:1</td></tr>
<tr><td>Executive Directors</td><td>Ratio to the median remuneration</td></tr>
<tr><td>Mr. Vinod Kumar Padmanabhan#</td><td>30.38 : 1*</td></tr>
<tr><td>Mr. Shiva Shankar Naga Roddam$</td><td>13.98 : 1*</td></tr>
<tr><td colspan="2">* The remuneration paid to Executive Directors also includes perquisites arising out of exercise of ESOPs.
@ Ms. Nisha Dutt was appointed as Chief Executive Officer of the Company with effect from May 02, 2023
# Mr Vinod Kumar Padmanabhan has resigned as Managing Director & CEO of the Company with effect from May 1, 2023
$ Mr. Shiva Shankar Naga Roddam has resigned as Whole-Time Director of the Company with effect from May 3, 2023</td></tr>
<tr><td rowspan="11">(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</td><td>Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary</td><td>Percentage of increase in remuneration in the financial year</td></tr>
<tr><td>Mr. Anil Singhvi</td><td>Not applicable*</td></tr>
<tr><td>Ms. Nisha Dutt</td><td>Not applicable*</td></tr>
<tr><td>Ms. Poornima Prabhu</td><td>Not applicable*</td></tr>
<tr><td>Mr. George Zacharias</td><td>Not applicable*</td></tr>
<tr><td>Mr. Vinod Kumar Padmanabhan</td><td>NIL@</td></tr>
<tr><td>Mr. Shiva Shankar Naga Roddam</td><td>NIL#</td></tr>
<tr><td>Mr. Sumit Kumar</td><td>NIL</td></tr>
<tr><td>Mr. G V Krishnakanth</td><td>12%</td></tr>
<tr><td colspan="2">Note:
*Non-Executive Non-Independent and Independent Directors were not paid any remuneration except for commission for the FY 23.
@ Mr. Vinod Kumar Padmanabhan was paid a remuneration of ₹ 3,19,00,656 for the FY 23. The Remuneration paid also includes perquisites arising out of exercise of ESOPs.
# Mr. Shiva Shankar Naga Roddam was paid a remuneration of ₹ 1,46,77,071 for FY23.The Remuneration paid also includes perquisites arising out of exercise of ESOPs. He discontinued as a Director as well as Whole-time Director of the Company with effect from close of business hours on May 03, 2023. An amount of ₹ 1.5 Lakhs representing remuneration for the period February 07, 2023 to March 31, 2023 is recoverable from him.</td></tr>
<tr><td>(iii) the percentage increase in the median remuneration of employees in the financial year;</td><td colspan="2">5%</td></tr>
<tr><td>(iv) the number of permanent employees on the rolls of Company;</td><td colspan="2">677 employees as on March 31, 2023</td></tr>
<tr><td>(v) average percentiles 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;</td><td colspan="2">There was an average increase of 8% in the salaries of employees other than managerial personnel. There was no increase in the remuneration paid to the Managing Director & CEO and Whole-time Director & COO during the period under review.</td></tr>
<tr><td>(vi) Affirmation that the remuneration is as per the remuneration policy of the Company.</td><td colspan="2">The remuneration of Directors, Senior Management and Employees is as per the Remuneration Policy of the Company.</td></tr>
</table>

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 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 (k) Subex Account Aggregator Services Private Limited
	(All the aforementioned entities are subsidiaries of Subex Limited)
(b) Nature of contracts/ arrangements/ transactions	A. Sub-Contracting Transactions • Subex (Asia Pacific) Pte. Ltd • Subex Inc. • Subex Middle East (FZE) • Subex Americas Inc • Subex Bangladesh Private Limited • Subex (UK) Limited • Subex Assurance LLP • Subex Digital LLP B. Marketing & Support Services Expense Transactions • Subex (Asia Pacific) Pte. Ltd • Subex Inc. • Subex Middle East (FZE) • Subex (UK) Limited • Subex Americas Inc • Subex Bangladesh Private Limited • Subex Assurance LLP • Subex Digital LLP C. Royalty expense • Subex Assurance LLP

	D. Reimbursement of expenses • Subex (UK) Limited • Subex Middle East (FZE) • Subex (Asia Pacific) Pte Ltd • Subex Assurance LLP • Subex Digital LLP • Subex Inc. • Subex Americas Inc • Subex Bangladesh Private Limited • Subex Account Aggregator Services Private Limited
	E. Share of profit/ (loss) • Subex Assurance LLP • Subex Digital LLP
	F. Allocation of Employee Stock option expenses • 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 Transactions The subsidiary transfers a portion of the revenue generated by them to the ultimate holding Company
	B. Marketing & Support Services Expense Transactions The subsidiary transfers the cost incurred in earning the revenue to the ultimate holding Company
	C. Royalty expense Royalty paid by Subex Ltd to Subex Assurance LLP for the right to use of Developed Technology transferred under Business restructuring.
	D. Reimbursement of expenses Group entities incur cost on behalf of other entities for administrative convenience, which is then cross charged to the respective entity on cost-to-cost basis.
	E. Reimbursement of ESOP expenses The holding company transfers the ESOP expense incurred on pertaining to ESOPs held by the employees of respective subsidiaries.
	F. 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 31)
(e) Date(s) of approval by the Board, if any:	May 15, 2023
(f) Amount paid as advances, if any:	NA

For Subex Limited

Anil Singhvi
Chairman, Non-Executive, Non-Independent Director
DIN:00239589

Place: Mumbai
Date: May 15, 2023

ANNEXURE- F

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, 2023, 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.

Note: The Board re-constituted the Committee with effect from May 08, 2023 pursuant to the changes in the Board of Directors

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 an average net loss during the preceding 3 financial years.

4. (a) Two percent of average net loss 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 2022-23

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)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
NIL	NIL	NIL	NIL	NIL	Not applicable

(b) Details of CSR amount spent against ongoing projects for the financial year ended March 31, 2023:

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 (6b+6c+6d+6e): NIL

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

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net loss of the company as per section 135(5)	Not applicable, as the Company has incurred a net 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 years. (in ₹)
				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): NA

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.: NA

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

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 net losses during the preceding 3 financial years; hence there is no obligation for the Company to make CSR contribution for the financial year 2022-2023.

For Subex Limited

Anil Singhvi
Chairman, Non-Executive, Non-Independent Director

Place: Bengaluru
Date: August 8, 2023

Note: The Company has incurred net 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 12 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 focuses 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, the 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 organization, we believe it requires highest standards of corporate behavior 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 and has always ensured transparency to stakeholders. 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 on March 31, 2023, 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

The Board of the Company is formed with an optimum combination of Executive and Non-Executive Directors, which not only meet the legal obligation but also make a diversified Board with a mixed blend of experiences, expertise, and professionals. As on March 31, 2023, 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. The Chairman of the Board is Non-Executive Director and is not related to the Managing Director & Chief Executive Officer ('CEO') of the Company.

Director's Profile:

The Board of Directors is composed of highly renowned professionals drawn from diverse fields, who bring with them wide range of skill and experience to the Board, which enhances the quality of the Board's decision-making process.

The brief profile of the Company's Board of Directors is as under:

Mr. Anil Singhvi, Chairman, Non-Executive, Non-Independent Director 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 like Shree Digvijay Cement Co. Limited, IDFC Limited, Assets Care & Reconstruction Enterprise Limited, to name a few.

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. She has been instrumental on Board and helps to ensure the good governance aspect with respect to conduct of Board meetings by giving valuable suggestions to major decision-making aspects of the Board and Committees.

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 the CEO of Intellecap and was responsible for front - ending the conceptualization programmes.

Mr. George Zacharias, Independent Director 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. He has served on reputed companies like Yahoo! Netherlands B.V., Mindtree Ltd to name a few and is currently serving as an Independent Director on the Board of Matrimony.com.

Mr. Shiva Shankar Naga Roddam is the Whole-Time Director & Chief Operating Officer and is responsible for Sales, Marketing, Engineering & Delivery of Subex Group. He 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. He has been instrumental in bringing great business deals and has added value to the Company.

Details of appointments/ re-appointments/ resignations:

i. The members at the 28th AGM approved the re-appointment of Mr. Anil Singhvi, Director liable to retire by rotation, as the Non-Executive, Non-Independent Director of the Company

ii. The members at the 28th AGM approved the re-appointment of Ms. Poornima Prabhu as an Independent Director of the Company for a period of 5 (five) years with effect from July 28, 2022.

iii. Mr. Vinod Kumar Padmanabhan at the Board Meeting held on April 17, 2023 had requested for early retirement from the position of Managing Director & Chief Executive Officer of the Company which would have been otherwise valid till March 31, 2024. The Board of Directors took note of it and reluctantly accepted his request. Mr. Vinod Kumar Padmanabhan continued as the Managing Director & Chief Executive Officer of the Company till close of business hours on May 1, 2023 and is currently serving on the Board of the Company as Non-Executive, Non- Independent Director.

iv. Consequent to the resignation of Mr. Vinod Kumar Padmanabhan from the position of Managing Director & Chief Executive Officer of the Company, the Board of Directors on the recommendation of the Nomination & Remuneration Committee at their meetings held on April 17, 2023 appointed Ms. Nisha Dutt as the Chief Executive Officer of the Company. Ms. Nisha Dutt had been on the Board of Directors of the Company since 2015 as Independent Director. She resigned from her current role as the Independent Director and assumed the role of Chief Executive Officer of the Company with effect from May 2, 2023.

v. The Board of Directors, at its meeting held on February 3, 2023, based on the recommendation of Nomination & Remuneration Committee had re-appointed Mr. Shiva Shankar Naga Roddam, as the Whole-Time director of the company for a further period of 3 (three) years, with effect from February 7, 2023 to February 6, 2026, subject to the approval of the Members. The Company proposed the special resolution for obtaining the shareholders' approval vide Postal Ballot Notice dated February 3, 2023. However, the Special resolution proposed in the Postal Ballot notice dated February 3, 2023 was not passed by requisite majority. Consequently, Mr. Shiva Shankar Naga Roddam discontinued as a Director as well as Whole-time Director of the Company with effect from close of business hours on May 03, 2023.

vi. The Board of Directors at its meeting held on August 8, 2023, based on the recommendation of Nomination & Remuneration Committee has appointed Mr. Rupinder Goel and Ms. Archana Muthappa as Additional Directors (Category: Non-Executive, Independent) on the Board of the Company for a period of 3 (three) years commencing from August 8, 2023, subject to the approval of the shareholders of the Company by way of a Special Resolution. The said agenda forms a part of the Notice of the 29th Annual General Meeting which is being placed before the shareholders for their approval.

A. Board Process:

The Board meets at regular intervals or at least 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 ("Act"), 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 attendance of Board of Directors and other directorship/committee positions, etc. as on March 31, 2023:

Director	Position & Category	No. of Board Meetings Held	No. of Board Meetings Attended	Last AGM Attended	Directorships^ held in other public companies	No. of Committees in Which the Director is Chairman #	No. of Committees in Which the Director Is Member #
Mr. Anil Singhvi	Chairman, Non-Executive, Non-Independent Director	5	5	Yes	5	2	3
Mr. Vinod Kumar Padmanabhan	Managing Director & Chief Executive Officer [Executive/ WTD]	5	5	Yes	1	-	-
Ms. Nisha Dutt	Independent Director	5	5	Yes	-	-	-
Ms. Poornima Prabhu	Independent Director	5	5	Yes	-	-	-
Mr. George Zacharias	Independent Director	5	5	Yes	1	-	1
Mr. Shiva Shankar Naga Roddam	Whole-Time Director & COO [Executive/ WTD]	5	5	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	IDFC Limited	Non-Executive, Independent Director
	Shree Digvijay Cement Co Limited	Executive 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:

^ For the purpose of reckoning Directorship /Committees position on which a Director can serve, all public limited companies, whether listed or not, have been included and all other companies including Subex Limited, private limited companies, foreign companies, and companies under Section 8 of the Companies Act, 2013, have been excluded.

For the purpose of considering the limit of Committee membership and chairpersonship of a director, membership and chairpersonship of Audit Committee and Stakeholders Relationship Committee of public companies have been considered. Excludes the membership & chairpersonship in Subex Limited.

** Regulation 17A of the Listing Regulations provides for the inclusion of only equity listed entities for reckoning the directorship in the listed entity, hence directorships held in debt listed entities have not been considered for reporting as above

C. Number and Dates of Board Meetings:

Details of meetings of the Board held during the financial year 2022-23 are as follows:

Sl. No	Board Meeting Number	Date of the Board Meeting
1.	No. 1/2022-23	April 5, 2022
2.	No. 2/2022-23	May 30, 2022
3.	No. 3/2022-23	August 8, 2022
4.	No. 4/2022-23	November 14, 2022
5.	No. 5/2022-23	February 3, 2023

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, 2023	% of equity
Mr. Anil Singhvi	60,000	0.011
Ms. Nisha Dutt	NIL	NA
Ms. Poornima Prabhu	NIL	NA
Mr. Vinod Kumar Padmanabhan	5,00,000	0.089
Mr. George Zacharias	NIL	NA
Mr. Shiva Shankar Naga Roddam	6,50,000	0.116

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 Director, Managing Director & Chief Executive Officer and the Whole-time Director 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 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 can be accessed at 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.

The details of Directors of the Company who possess those skills/expertise/competencies are as given below:

Skills/ expertise/ competencies	Mr. Anil Singhvi	Ms. Nisha Dutt	Ms. Poornima Prabhu	Mr. Vinod Kumar Padmanabhan	Mr. George Zacharias	Mr. Shiva Shankar Naga Roddam
Finance - Financial management, Capital allocation, accounting, financial reporting	✓	✓	-	✓	-	✓
Governance - best practices in governance, ethics and values	✓	✓	✓	✓	✓	✓
Strategy - operational integration, understanding diverse business environments, economic conditions	✓	✓	✓	✓	✓	✓
Decision making - Management decisions, branding	✓	✓	-	✓	✓	✓
Sales and marketing	✓	-	-	✓	-	✓
Personnel and Leadership	✓	✓	✓	✓	✓	✓

H. Independent Directors and Declaration of Independence

As on March 31, 2023, 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.

In terms of Regulation 25(8) of Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. 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 SEBI (LODR) Regulations, 2015. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Act and that they are independent of the management.

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 remuneration is 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 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.

The members at the 27th AGM of the Company approved the payment of remuneration by way of commission to Non-Executive and/Independent Directors, a sum not exceeding 1% per annum of the net profits of the Company. In any financial year, if the company has no profits or its profits are inadequate, the company can pay remuneration to its Non-Executive and/ Independent Directors in accordance with Part II, Section II of Schedule V.

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.

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 28th 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 auditors' 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 auditors' 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 Rs.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 Rs.100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
29. Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

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, 2023

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

Note: The Board re-constituted the Committee with effect from May 03, 2023 pursuant to the changes in the Board of Directors

C. Meetings and Attendance of the Committee during the Year

During the financial year 2022-23, the following meetings of the Audit Committee were held:

Sl. No	Meeting No.	Date of the meeting
1.	No. 1/2022-23	May 30, 2022*
2.	No. 2/2022-23	August 8, 2022*
3.	No. 3/2022-23	November 14, 2022 *
4.	No. 4/2022-23	February 3, 2023*

*dates on which the Quarterly/Half Yearly/Year ended results for the financial year 2022-23 were considered.

The Attendance of the directors at the Audit Committee Meetings during the Financial Year 2022-23 are 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. George Zacharias	4	4

The minutes of the meetings of the Audit Committee are placed before and noted by the Board. All recommendations made by the Audit Committee were accepted by the Board of Directors of the Company during the financial year 2022- 2023.

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, 2015. 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:

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. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
   a) use the services of an external agencies, if required;
   b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
   c) consider the time commitments of the candidates.
3. 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.
4. Devising a policy on diversity of board of directors;
5. 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.
6. 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.
7. 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.
8. 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.
9. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
10. Carrying out any other function 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.

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, 2023 is as follows:

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

Note: The Board re-constituted the Committee with effect from May 03, 2023 pursuant to the changes in the Board of Directors

C. Meetings and Attendance of the Committee during the Year

During the financial year 2022-23, the following meetings of the Nomination & Remuneration Committee are held:

Sl. No	Meeting No.	Date of the meeting
1.	No. 1/ 2022-23	May 9, 2022
2.	No. 2/ 2022-23	November 14, 2022
3.	No. 3/ 2022-23	December 9, 2022
4.	No. 4/ 2022-23	February 3, 2023

Ms. Poornima Prabhu, Chairperson of the Nomination & Remuneration Committee was present at the 28th Annual General Meeting.

Attendance of the members of the Nomination & Remuneration Committee meetings during the Financial Year 2022-23 were as follows:

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

The minutes of the meetings of the Nomination and Remuneration Committee are placed before and noted by the Board. All recommendations made by the Nomination and Remuneration Committee were accepted by the Board of Directors of the Company during the financial year 2022-2023.

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.

E. 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 178(4) of the Companies Act, 2013 and is available on the website of the Company at 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 the 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.

F. Remuneration of Directors

Pecuniary relationships or transactions

During the year under review, there was no pecuniary relationship or transactions between the Company and any of its Non-Executive Directors apart from sitting fees, commission and reimbursement of expenses incurred by them to attend the meetings of the Company.

Non-Executive Directors' compensation and disclosures

The Non-Executive Directors are paid sitting fees for attending the meetings of the Board and Committees of the Board. During the year under review, the Company paid the sitting fee to Non-Executive Director for attending meetings of the Board, Audit, Nomination and Remuneration, Stakeholders Relationship and Risk Management Committee.

In compliance with the provisions of the Act and SEBI (LODR) Regulations, 2015, the Non-Executive Directors including Independent Directors are also paid a commission, the amount whereof is recommended by the NRC and approved by the Board. The shareholders of the Company at its 27th Annual General Meeting held on July 9, 2021, had approved payment of commission to the Non-Executive Directors of the Company for each year commencing from financial year 2021. No Stock option has been granted to the Non-Executive Directors.

The details of the Commission and sitting fees paid/ payable to Non-Executive Directors for FY 2022-23 are given below:

(₹ in Lakhs)

Name of the Director	Sitting fees	Commission# (Relating to FY 2022-23)
Mr. Anil Singhvi	19.00	9.00
Ms. Nisha Dutt	15.00	9.00
Ms. Poornima Prabhu	17.00	9.00
Mr. George Zacharias	11.00	9.00

The Board at its meeting held on May 15, 2023 approved an amount of ₹ 36 lakhs be paid to the Independent Director and Non-Executive Director as Commission for the Financial Year 2022-23.

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:

(₹ in Lakhs)

Particulars of Remuneration	Mr. Vinod Kumar Padmanabhan	Mr. Shiva Shankar Naga Roddam
Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	174.09	74.30
Allowances and perquisites	136.28	68.51
Contribution to Retiral Funds	8.64	3.96
Total	319.01	146.77
Options Granted during the year	0	0
Options exercised during the year	5,00,000	1,50,000
No. of Shares held (as on March 31, 2023)	5,00,000	6,50,000
Term of Service Contract	From April 01, 2021 till March 31, 2024*	From February 01, 2021 till February 06, 2023**
Notice Period	3 months	3 months

* Mr. Vinod Kumar Padmanabhan at the Board Meeting held on April 17, 2023 had requested for early retirement from the position of Managing Director & Chief Executive Officer of the Company which would have been otherwise valid till March 31, 2024. The Board of Directors took note of it and reluctantly accepted his request. Mr. Vinod Kumar Padmanabhan continued as the Managing Director & Chief Executive Officer of the Company till close of business hours on May 1, 2023 and is currently serving on the Board of the Company as Non-Executive, Non- Independent Director.

** The Board of Directors, at its meeting held on February 3, 2023, based on the recommendation of Nomination & Remuneration Committee had re-appointed Mr. Shiva Shankar Naga Roddam, as the Whole-Time director of the company for a further period of 3 (three) years, with effect from February 7, 2023 to February 6, 2026, subject to the approval of the Members. The Company proposed the special resolution for obtaining the shareholders' approval vide Postal Ballot Notice dated February 3, 2023. However, the Special resolution proposed in the Postal Ballot notice dated February 3, 2023 was not passed by requisite majority. Consequently, Mr. Shiva Shankar Naga Roddam discontinued as a Director as well as Whole-time Director of the Company with effect from close of business hours on May 03, 2023. Accordingly an amount of ₹ 1.5 Lakhs representing remuneration for the period February 07, 2023 to March 31, 2023 is recoverable from him.

Notes:

i) Salary includes fixed pay and performance linked variable pay

ii) In view of no profits / inadequate profit as computed in accordance with Section 198 of the Act, the Managing Director and CEO/ Whole-time Director and COO have been paid remuneration in accordance with Part II of Section II of Schedule V of the Act for the year ended March 31, 2023.

iii) Remuneration includes value of perquisites arising out of the exercise of employee stock options.

iv) The retirement benefit shall include benefits such as provident fund and gratuity.

G. Directors and Officers Insurance

Pursuant to requirement under Regulation 25(10) of SEBI (LODR) Regulations, 2015, the Company has undertaken Directors and Officers Insurance ('D and O' insurance) for all its Directors, including Independent Directors for such quantum and risks as determined by the Board of Directors of the Company.

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/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings 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 acts as secretary of the Committee.

A. Composition of the Stakeholders Relationship Committee as on March 31, 2023:

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

Note: The Board re-constituted the Committee with effect from May 08, 2023 pursuant to the changes in the Board of Directors

B. Meetings and Attendance of the Committee during the Year

During the financial year 2022-23, the following meetings of the Stakeholders Relationship Committee were held:

Sl. No	Meeting No.	Date of the meeting
1.	No. 1/2022-23	May 30, 2022
2.	No. 2/2022-23	August 8, 2022
3.	No. 3/2022-23	November 14, 2022
4.	No. 4/2022-23	February 3, 2023

Attendance of the Directors at the Stakeholders Relationship Committee Meetings for the Financial Year 2022-23 are 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	4

Mr. Anil Singhvi, Chairman of the Committee attended the last Annual General Meeting of the Company held on September 19, 2022, and addressed the queries of the shareholders. 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 financial year ended March 31, 2023 are as follows

Name of the Non-Executive Director heading the Committee	Mr. Anil Singhvi, Chairman, Non-Executive, Non-Independent Director
Name and designation of the Compliance Officer	Mr. G V Krishnakanth, Company Secretary
Number of shareholders complaints pending at the beginning of the year	Nil
Number of shareholders complaints received during the year	36
Number of shareholders complaints redressed during the year.	36
Number of shareholders complaints not solved to the satisfaction of the shareholders	Nil
Number of shareholders complaints pending at end of the year	Nil

VI. 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 and as amended from time to time. 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.

VII. 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, 2023

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
4.	Mr. Shiva Shankar Naga Roddam	Whole-Time Director & COO

Note: The Board re-constituted the Committee with effect from May 08, 2023 pursuant to the changes in the Board of Directors

B. Meetings and Attendance of the Committee during the Year 2022-23

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. The Company had voluntarily constituted a Corporate Social Responsibility Committee although the criteria under section 135 of Companies Act, 2013 was not met and 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 page 12 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/.

VIII. 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 Enterprise-Wide Risk Management with focus on three key elements i.e. Risk Assessment, Risk Management and Risk Monitoring.

A. Terms of Reference

The Roles and responsibility of the Risk Management Committee has, inter alia, the following mandate as prescribed under Part D of Schedule II of The SEBI (LODR) Regulations, 2015 :

1. To formulate a detailed risk management policy which shall include:
   (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   (c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To monitor and review risk management plan and such other functions as it may deem fit including cyber security.
5. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
6. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
7. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

B. Composition of the Risk Management Committee as on March 31, 2023

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
4.	Mr. George Zacharias	Independent Director

Note: The Board re-constituted the Committee with effect from May 03, 2023 pursuant to the changes in the Board of Directors

C. Meetings and Attendance during the Year

During the financial year 2022-23, the following meetings of the Risk Management Committee were held

Sl. No	Meeting No.	Date of the meeting
1.	No. 1/2022-23	May 30, 2022
2.	No. 2/2022-23	November 14, 2022

Name of the Director	No. of Risk Management Committee Meetings Held	No. of Risk Management Committee Meetings attended
Mr. Anil Singhvi	2	2
Ms. Nisha Dutt	2	2
Mr. Vinod Kumar Padmanabhan	2	2
Mr. George Zacharias	2	2

IX. SENIOR MANAGEMENT

The Nomination & Remuneration Committee at its meeting held on October 28, 2021, had identified the persons occupying the position of Chief Executive Officer, Chief Operating Officer, Chief Human Resources Officer, Chief Financial Officer, Chief Technology Officer and Company Secretary & Compliance Officer as its Senior Management Personnel.

X. MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met once on February 03, 2023, inter alia, to:

- Review the performance of the Non-Independent Directors and the Board of Directors as a whole;
- Review the performance of the Chairperson of the listed entity, taking into account the views of Executive Directors and

  Non-Executive Directors;
- 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
2019-20	September 25, 2020	Video Conference/Other Audio-Visual Means (Deemed Venue is at the Registered Office of the Company situated at Pritech Park - SEZ, Block-09, 4th Floor, B Wing, Sy No. 51-64/4, ORR, Bellandur Vlg, Varthur Hobli, Bangalore- 560103)	3:00 PM
2020-21	July 09, 2021	Video Conference/Other Audio-Visual Means (Deemed Venue is at the Registered Office of the Company situated at Pritech Park - SEZ, Block-09, 4th Floor, B Wing, Sy No. 51-64/4, ORR, Bellandur Vlg, Varthur Hobli, Bangalore- 560103)	11.00 AM
2021-22	September 19, 2022	Video Conference/Other Audio-Visual Means (Deemed Venue is at the Registered Office of the Company situated at Pritech Park - SEZ, Block-09, 4th Floor, B Wing, Sy No. 51-64/4, ORR, Bellandur Vlg, Varthur Hobli, Bangalore- 560103)	11.00 AM

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
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
July 09, 2021	3	1. Revision in terms of appointment of Mr. Shiva Shankar Naga Roddam as a Whole-Time Director of the Company 2. Re-appointment of Mr. Vinod Kumar Padmanabhan as Managing Director & CEO of the Company 3. Payment of remuneration to the independent & non-executive directors by way of commission
September 19, 2022	1	1. Re-appointment of Ms. Poornima Prabhu as an Independent Director of the Company

B. Extraordinary General Meeting:

No Extraordinary General Meeting of the members was held during FY 2022-23

C. Postal Ballot during year 2022- 23

There were no other meetings held during the year under review nor were any resolutions passed through postal ballot during the financial year 2022-23.

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://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, Auditors' 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 2022-23, had scheduled the Investor calls to discuss on the Earnings of the Company for relevant quarters which were scheduled on May 31, 2022, August 10, 2022 and November 16, 2022 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 Management of the Company has interacted with Analysts and the details of the same are available on the website under the link https://www.subex.com/investors/announcement-filing/#investor-analyst-call.

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/investors/announcement-filing/#investor-analyst-call (click on investors/announcement-filing/investor-analyst-call). Pursuant to General Circular No's.14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021, 02/2022 and 10/2022 dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022 and December 28, 2022 respectively, issued by the Ministry of Corporate Affairs ("collectively MCA Circulars") and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11, SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023, respectively, issued by the Securities & Exchange Board of India ("SEBI Circulars"), companies have been allowed to hold AGM through Video Conferencing or Other Audio Visual Means ("VC/OAVM"). The said MCA Circulars and SEBI Circulars have dispensed with the requirement of printing and dispatch of annual reports to shareholders. Relaxation has been provided up to September 30, 2023 from Regulation 36(1)(b) of SEBI (LODR) Regulations, 2015, which requires sending hard copy of annual report containing

salient features of all the documents prescribed in Section 136 of the Companies Act, 2013 to the shareholders who have not registered their email addresses. However, in terms Regulation 36(1)(c) of SEBI (LODR) Regulations, 2015, the Company shall send hard copy of full annual report to those shareholders who request for the same.

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 2022-23 (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 the MCA Circulars and SEBI Circulars, the Company has taken 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 an 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 the 29th AGM.

XIII. DISCLOSURES

A. RELATED PARTY TRANSACTIONS

All transactions entered 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 at an arm's 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 31 to the Standalone and Note 32 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.

B. DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF "LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS / COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT":

There were no loans and advances provided to firms/ companies in which Directors are interested.

C. COMPLIANCE WITH ACCOUNTING STANDARD

In the preparation of the financial statements, the Company has followed and adopted all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) specified under Section 133 of the Companies Act, 2013 read with relevant Rules made thereunder and other recognized accounting policies and practices. The Significant Accounting Policies which are consistently applied and followed by the Company to the extent applicable have been set out in the Notes to the Financial Statements.

D. INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 ('Prohibition of Insider Trading Regulations'), the Company has formulated and adopted the 'Code of Conduct to regulate, monitor and report trading by designated persons and immediate relatives of designated persons and Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information' ('Code').

The said Code is applicable to all the Designated Persons, their immediate relatives, and subsidiaries of the Company, requires pre-clearance for dealing in the Company's shares and prohibits trading in securities of the Company while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Code has also been uploaded on the Company's website and can be accessed at https://www.subex.com/investors/shareholder-services/.

Pursuant to the above, the Company has put in place an adequate and effective system of internal controls to ensure compliance with the requirements of the Prohibition of Insider Trading Regulations, 2015.

The Code expressly lays down the guidelines and the procedures to be followed and disclosures to be made, while dealing with the shares of the Company.

E. DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES, STRICTURES IMPOSED ON THE COMPANY BY THE STOCK EXCHANGES, SEBI OR ANY STATUTORY AUTHORITY ON ANY MATTER RELATED TO CAPITAL MARKETS

The Company has complied with all the requirements of the SEBI (LODR) Regulations, 2015 as well as regulations and guidelines of SEBI. There has been no non-compliance by the Company on any matter related to Capital Markets during the last three years. No penalties or strictures have been imposed on the Company by SEBI, Stock Exchanges or any statutory authority during the last three years relating to capital markets.

F. 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/.

G. 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.

H. DETAILS OF MATERIAL SUBSIDIARIES OF THE COMPANY

Sr. No.	Name of Material Subsidiary	Date of Incorporation	Place of Incorporation	Name of Auditors	Date of Appointment of Auditors
1.	Subex (UK) Limited	30.03.2001	London, RoC of England and Wales	Ensors Accountants LLP, Registered in England and Wales	09.09.2008
2.	Subex (Asia Pacific) Pte Limited	29.09.2003	Singapore	MGI N RAJAN ASSOCIATES	20.03.2007
3.	Subex Assurance LLP	05.04.2017	Bangalore, India	S.R. Batliboi & Associates LLP	05.04.2017

I. 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. The Company follows a currency hedging policy to limit impact of exchange volatility on net receivables. Hedging strategies are decided and monitored periodically by the Risk Management Committee of the Board convened on a regular basis.

J. 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 2022-23.

K. 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.

L. 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.

M. 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 is given below.

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, 2023, is as follows:

(₹ in Lakhs)

Fees for audit and related services paid to S.R. Batliboi & Associates LLP	88
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.	-
Total fees	88

N. 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 workplace and resolves the issues if any. During the financial year under consideration, the ICC did not receive any complaints.

O. 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 its 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, 2023. 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/.

Q. RECOMMENDATION OF THE COMMITTEES

The minutes of the meetings of all the Committees are placed before and noted by the Board. There were no instances in the financial year 2022-23, where the Board has not accepted any recommendations of any Committees of the Board which is mandatorily required.

R. MANAGEMENT DISCUSSION AND ANALYSIS

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

S. GENERAL SHAREHOLDER INFORMATION

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

T. 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.

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.

U. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON-MANDATORY REQUIREMENTS

The Company is compliant with all the mandatory requirements of SEBI (LODR) Regulations, 2015 for the financial year 2022-23.

The following non-mandatory requirements under Part E of Schedule II of SEBI (LODR) Regulations, 2015 to the extent they have been adopted are mentioned below:

I. The Board

The Company appointed Mr. Anil Singhvi, Non- 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.

II. 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) and are also posted on the Company's website.

III. 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.

IV. Reporting of Internal Auditors

The Internal Auditors 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: Bengaluru
Date: August 8, 2023

For Subex Limited

Nisha Dutt
CEO
Place: Bengaluru
Date: August 8, 2023

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, 2023 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 has 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

Nisha Dutt
CEO

Date: August 08, 2023
Place: Bengaluru

For Subex Limited

Sumit Kumar
Chief Financial Officer

Date: August 08, 2023
Place: Bengaluru

ANNEXURE 2

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Subex Limited
CIN L85110KA1994PLC016663
Pritech Park - SEZ, Block-09, 4th Floor,
B Wing, Sy No. 51-64/4, ORR, Bellandur Vlg,
Varthur Hobli Bengaluru-560103

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Subex Limited having CIN - L85110KA1994PLC016663 and having registered office at Pritech Park - SEZ, Block-09, 4th Floor, B Wing, Sy No. 51-64/4, ORR, Bellandur Vlg, Varthur Hobli Bangalore Karnataka 560103 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal 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 2023 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.	Nisha Dutt	06465957	Non-Executive, Independent Director
3.	Poornima Kamalaksh Prabhu	03114937	Non-Executive, Independent Director
4.	Vinod Kumar Padmanabhan	06563872	Executive Director, MD & CEO
5.	George Zacharias	00162570	Non-Executive, Independent Director
6.	Shiva Shankar Naga Roddam	07212118	Executive Director

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

Date: May 15, 2023
Place: Bengaluru
UDIN: F007834E000304680

Pramod S M
Partner
FCS 7834/ CP No. 13784

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, 2023.

For Subex Limited

Nisha Dutt
Chief Executive Officer

Place: Bengaluru
Date: August 8, 2023

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1: Corporate Identity Number (CIN) of the Listed Entity	L85110KA1994PLC016663
2: Name of the Listed Entity	Subex Limited
3: Year of incorporation	1994
4: Registered office address	Pritech Park-SEZ, Block-9, 4th floor, B Wing, Survey No. 51-64/4, Outer Ring Road, Bellandur Village, Varthur Hobli, Bengaluru- 560 103
5: Corporate address	Pritech Park-SEZ, Block-9, 4th floor, B Wing, Survey No. 51-64/4, Outer Ring Road, Bellandur Village, Varthur Hobli, Bengaluru- 560 103
6: E-mail	investorrelations@subex.com
7: Telephone	08037451377
8: Website	https://www.subex.com/
9: Financial year for which reporting is being done	Financial Year 2022-2023
10: Name of the Stock Exchange(s) where shares are listed	BSE Limited and The National Stock Exchange of India Limited
11: Paid-up Capital	₹ 281 Crores
12: Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	G V Krishnakanth Company Secretary & Compliance Officer Contact: 9900590024 Email: krishnakanth.gv@subex.com
13: Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The information against the disclosures provided in this report by Subex Limited are presented on a standalone basis for our operations in India, unless specifically indicated otherwise. These disclosures pertain solely to our performance within the Indian market.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Services, and related activities	62099	99%
2	IT Software	62099	1%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S.No.	Product/Service	NIC Code	% of total Turnover contributed
1	Sub-contracting services	62099	71%
2	Managed services	62099	9%
3	Support services	62099	9%
4	Implementation and customisation	62099	6%
5	Support services	62099	4%
6	Sale of license	62099	1%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	1	1
International	0	6	6

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	1
International (No. of Countries)	6

b. What is the contribution of exports as a percentage of the total turnover of the entity?

94%

c. A brief on types of customers

Subex Limited is a trusted partner to many of the world's leading telecommunications companies. The Company provides solutions / products which are useful in Revenue Assurance. Fraud Management, Network Analytics, Data Integrity Management and Partner Lifecycle Management.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S.No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No. (C)	%(C/A)
EMPLOYEES						
1	Permanent (D)	677	461	68.09%	216	31.91%
2	Other than Permanent (E)	84	49	58.33%	35	41.67%
3	Total employees (D + E)	761	510	67.02%	251	32.98%
WORKERS						
4	Permanent (F)	0	0	0	0	0
0	Other than Permanent (G)	0	0	0	0	0
6	Total workers (F + G)	0	0	0	0	0

b. Differently abled Employees and workers:

S.No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No. (C)	%(C/A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	0	0	0	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	Total differently abled employees (D + E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	0	0	0	0	0
5	Other than Permanent (G)	0	0	0	0	0
6	Total differently abled workers (F + G)	0	0	0	0	0

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	6	2	33.33%
Key Management Personnel	4	0	0%

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY- 2023 (Turnover rate in current FY)			FY- 2022 (Turnover rate in previous FY)			FY- 2021 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	42.1%	32.3%	39%	40.8%	43.5%	41.6%	5.2%	6.7%	5.6%
Permanent Workers	0	0	0	0	0	0	0	0	0

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S.No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Subex Assurance LLP	Subsidiary	100%	No
2	Subex Digital LLP	Subsidiary	100%	No
3	Subex Technologies Limited	Subsidiary	100%	No
4	Subex Americas Inc.	Subsidiary	100%	No
5	Subex (UK) Limited	Subsidiary	100%	No
6	Subex Middle East (FZE)	Subsidiary	100%	No
7	Subex Bangladesh Private Limited	Subsidiary	100%	No
8	Subex Azure Holdings Inc.	Subsidiary	100%	No
9	Subex (Asia Pacific) Pte Limited	Subsidiary	100%	No
10	Subex Inc.	Subsidiary	100%	No
11	Subex Account Aggregator Services Private Limited	Subsidiary	100%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

No.

(ii) Turnover (in ₹)

₹ 273.52 Crores

(iii) Net worth (in ₹)

₹ 423.87 Crores

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY- 2023 Current Financial Year			FY- 2022 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. https://www.subex.com/pdf/investors/Corporate-Governance/Subex-Global-Whistle-blowing-Policy.pdf	-	-		-	-	
Investors (other than shareholders)	Not Applicable						
Shareholders	Yes. investorrelations@subex.com & https://scores.gov.in/scores/	36	0		166	0	
Employees and workers	Yes. https://www.subex.com/pdf/investors/Corporate-Governance/Subex-Global-Whistle-blowing-Policy.pdf.	0	0		0	0	
Customers	Yes, Given the enterprise B2B nature of our business, we have support teams which are put in place to proactively address any customer issues. These complaints are addressed as per the process laid down.						
Value Chain Partners	Yes. https://www.subex.com/pdf/investors/Corporate-Governance/Subex-Global-Whistle-blowing-Policy.pdf. Also we have support teams which are put in place to proactively address any customer issues. These complaints are addressed as per the process laid down.						
Other (please specify)	Not Applicable						

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Increasing incidents of cybersecurity threats and data breaches	Opportunity / Risk	Opportunity • Increasing revenue from our cybersecurity products • Being recognised as a leader in the cybersecurity space will increase client confidence. Risk • Reputational risk and liability in case of cyber security incidents.	At Subex, we are committed to be seen as a leader in the cyber security space. Our employees are constantly trained on the emerging technologies so that we are well placed to address changes due to evolution of technology. We are also building a strong suite of cyber security products which can help address these threats for our clients.	Positive: Be recognised as a leading player in cybersecurity space, to win new client contracts and add new revenue streams.
2	Changing expectations of workplace	Opportunity / Risk	Opportunity • Creating a great employee experience in all our workplaces to attract talent globally. • Recruiting a world class talent pool that is capable of delivering projects productively. Risk • Increasing preferences for work from home opportunities can hamper our ability to attract and retain best talent.	We have various employee friendly initiatives at our workplaces to ensure well being of employees.	Positive: Improved employee morale will improve productivity and increase revenues.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines on Responsible Business Conduct (NGRBC) released by the Ministry of Corporate Affairs has updated and adopted nine areas of Business Responsibility. These are briefly as under:

P1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy And Management Processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link of the Policies, if available	https://www.subex.com/investors/shareholder-services/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO	ISO	Relevant Labour laws	ISO	Relevant Labour laws	EMS as part of ISO	Relevant Legal laws	Relevant Legal laws	ISO 27001:2013
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Subex Limited is committed to taking proactive steps towards environmental sustainability. We have set a specific and ambitious goal to achieve Net-Zero emissions by the year 2035. This target encompasses all aspects of emissions, including Scope 1, Scope 2, and Scope 3 emissions.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	At Subex Limited, we consider the performance against our specific commitments, goals, and targets as an integral part of our sustainability journey. We follow a structured approach to review and monitor the progress of each principle and associated objectives, which is led by various committees as applicable, and overseen by our Management and Board of Directors.								
Governance, leadership and oversight									
7: Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	The Company is committed to integrating environmental, social and governance (ESG) principles into its businesses which is central to improving the quality of life of the stakeholders it serves. The Company is committed to conducting beneficial and fair business practices to benefit the labour force, human capital and the communities it serves. It provides employees and business associates with working conditions that are clean, safe, healthy and fair. However, as with any commitment, challenges are inevitable. The complexity of the business landscape, evolving regulations, and external factors sometimes pose hurdles. Yet, we view these challenges as opportunities to innovate, collaborate, and improve. By addressing these challenges head-on, we learn, adapt, and reinforce our commitment to ESG principles. Our dedication to ESG principles is reflected not only in our words but in our actions. We are committed to transparently sharing our progress, challenges, and successes as we strive to create lasting value for our stakeholders while leaving a positive impact on society and the environment. Thank you for your trust and support as we continue on this important journey.								

8: Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	At Subex Limited, the implementation and oversight of our Business Responsibility policies are entrusted to our Chief Executive Officer.
9: Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No, Subex Limited does not have a specified Committee of the Board or Director solely dedicated to sustainability-related issues. The Board provides valuable direction and guidance to the Management team to ensure that safety and sustainability aspects are thoroughly considered in all new strategic initiatives, budget allocations, audit actions, and improvement plans.

10: Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	As a practice, policies on Business Responsibility of the Company are reviewed periodically or on a need basis by the Senior Leadership Team including the CEO. During the review, the efficacy of the policies is reviewed and necessary changes to policies & procedures are implemented									Half yearly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with the existing regulations as applicable and a Statutory Compliance Certificate on applicable laws is provided to the Board of Directors									Half yearly								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Company has various policies in place which are reviewed from time to time by the Board, its Committees and Senior Management. Further, the above policies and processes may be subject to regulatory compliances and changes, as applicable.								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	During the year, the Board of Directors of the Company invested their time on various updates pertaining to the business, regulations, environmental, social, governance etc. These topics comprise insights on the said Principles		
Key Managerial Personnel	1	All training are done through our online portal. It is mandatory for all employees to attend available trainings on an ongoing process for their career progression 1. Code of Conduct 2. Whistleblower Policy 3. Prevention of Sexual Harassment at the Workplace	100%
Employees other than BoD and KMPs	1	All training are done through our online portal. It is mandatory for all employees to attend available trainings on an ongoing process for their career progression 1. Code of Conduct 2. Whistleblower Policy 3. Prevention of Sexual Harassment at the Workplace	100%
Workers	Not Applicable		

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

There have been no proceedings against the company by regulators/ law enforcement agencies/ judicial institutions in the financial year.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, Subex Limited has a stringent anti-corruption and anti-bribery policy that reflects our unwavering commitment to ethical business practices. We maintain a zero-tolerance stance toward any form of non-conformity with our Code of Conduct, which is a comprehensive framework guiding the behaviour of our employees across all locations.

Our Code of Conduct and Whistle Blower policy have been designed to encompass a wide spectrum of stakeholders, including employees, contractors, suppliers, and other relevant parties. These policies set clear guidelines and expectations for preventing corruption, bribery, and unethical practices within our operations. Our employees are expected to uphold the highest standards of integrity and transparency in all their interactions, both within the organization and with external stakeholders. The Code of Conduct emphasizes the importance of fairness, honesty, and accountability in our business dealings.

Through these policies and practices, Subex Limited strives to foster a culture of ethical behaviour, integrity, and responsible business conduct, ensuring that our operations are aligned with the highest standards of compliance and transparency.

Weblink to anti corruption or anti bribery policy - https://www.subex.com/investors/shareholder-services/

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

There have been no cases involving disciplinary action taken by any law enforcement agency for the charges of bribery / corruption against directors / KMP / employees / workers that have been brought to our attention for the current financial year as well as for the previous year.

6. Details of complaints with regard to conflict of interest:

At Subex Limited, we are fully committed to addressing issues related to conflicts of interest with the utmost seriousness and dedication. We understand the importance of maintaining an environment free from such concerns and continuously strive to take proactive measures to prevent and manage conflicts of interest.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NIL

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

NIL

2 Does the entity have procedures in place for sustainable sourcing?

Yes. The Company has developed process for vendor selection. This includes various principles and guidelines such as Safety, Health and Environment Policy, Legal Compliance, adherence to Code of Conduct, etc.

3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

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 all the 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.

4 Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same

No

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	461	461	100%	461	100%	0	0%	461	100%	0	0%
Female	216	216	100%	216	100%	216	100%	0	0%	0	0%
Total	677	677	100%	677	100%	216	100%	461	100%	0	0%
Other than Permanent employees											
Male	49	49	100%	0	0%	0	0%	49	100%	0	0%
Female	35	35	100%	0	0%	35	100%	0	0%	0	0%
Total	84	84	100%	0	0%	35	100%	49	100%	0	0%

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%
Other than Permanent workers											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY-2023 Current Financial Year			FY-2022 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	89.1%	0	Y	97.2%	0	Y
Gratuity	89%	0	Y	97.2%	0	Y
ESI	Not Applicable					

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, Subex Limited is committed to ensuring inclusivity and accessibility for all employees, including those with disabilities, in alignment with the requirements outlined in the Rights of Persons with Disabilities Act, 2016. Our premises, located within a tech park, have been selected to provide a conducive environment for all individuals, including differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. The Company is governed by the Code of Conduct whereby all the employees and those eligible are provided with equal opportunities. The Company is committed to an inclusive work culture without any discrimination on the grounds of race, caste, religion, colour, marital status, gender, sex, age, nationality, ethnic origin, disability and such other grounds as prescribed and protected by the applicable laws.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA	NA
Female	100%	100%	NA	NA
Total				

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes. We have a Global redressal policy which is accessible by all employees of the company
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

None of our employees are part of any employee union or association.

8. Details of training given to employees and workers:

Category	FY-2023 Current Financial Year					FY-2022 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	461	461	100%	461	100%	142	142	100%	142	100%
Female	216	216	100%	216	100%	64	64	100%	64	100%
Total	677	677	100%	677	100%	206	206	100%	206	100%
Workers										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	0	0	0%	0	0%	0	0	0%	0	0%

9. Details of performance and career development reviews of employees and worker:

Category	FY-2023 Current Financial Year			FY-2022 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	461	461	100%	142	142	100%
Female	216	216	100%	64	64	100%
Total	677	677	100%	206	206	100%
Workers						
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%
Total	0	0	0%	0	0	0%

10: Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

No, the nature of our business does not involve inherent occupational health and safety hazards, however we are committed to prioritising the well-being of our employees. We carry out relevant trainings from time to time.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Not Applicable

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Not Applicable

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Not Applicable

11. Details of safety related incidents, in the following format:

There were no instances of safety related incidents at Subex Limited

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Subex Limited is committed to fostering a safe and healthy work environment through a range of initiatives. These include proactive measures such as mental health sessions, emotional wellness sessions, yoga sessions, financial wellness programs, oral wellness programs, and managing sessions. These initiatives aim to promote the overall well-being of our employees and contribute to a positive workplace atmosphere.

13. Number of Complaints on the following made by employees and workers:

	FY-2023 Current Financial Year			FY-2022 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health & Safety Practices	Even though we have not formally conducted any assessment, since we are based in a tech park, the premises meets all required regulatory guidelines
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Subex Limited does not have any safety-related incidents or significant risks/concerns related to health and safety practices and working conditions that require corrective action. Our commitment to maintaining a safe and healthy work environment remains steadfast, and we continue to uphold rigorous standards to prevent incidents and address any concerns promptly.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity

At Subex Limited, we recognize the significance of engaging with a diverse range of stakeholders who play a pivotal role in shaping our operations and influencing our decisions. Our process for identifying key stakeholder groups is structured to encompass both internal and external stakeholders who hold a direct impact on our company.

Our engagement strategy begins by categorizing stakeholders into internal and external groups. This segmentation helps us understand the distinct perspectives and expectations of each group, enabling us to tailor our engagement efforts accordingly.

For our internal stakeholders, which include our employees, we prioritize fostering a positive work environment, providing growth opportunities, and ensuring their well-being. We acknowledge that their dedication and contributions are vital to our success, and we are committed to creating an inclusive and supportive workplace for them.

Externally, we have identified key stakeholder groups that hold immediate influence on our operations. These groups encompass shareholders, customers, communities, suppliers, partners, and vendors. We recognize the importance of transparent communication and engagement with these stakeholders to build strong relationships, understand their needs, and address their concerns effectively.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Annual General Meeting, Shareholder meets, email, Stock Exchange intimations, investor/ analysts meet/ conference calls, annual report, quarterly results, media releases and Company/SE website	Ongoing	Share price appreciation, dividends, profitability and financial stability, growth prospects
Employees	No	Senior leaders' communication/talk / forum, Employee Communication, goal setting and performance appraisal meetings/ review, wellness initiatives, engagement survey, email, intranet, websites, poster campaigns, circulars, quarterly publication and newsletters	Ongoing	Responsible Care, innovation, operational efficiencies, improvement areas, long- term strategy plans, training and awareness, brand communication, health, safety and engagement initiatives
Customers	No	Website, distributor / direct customer, senior leader-customer meets / visits, customer plant visits, Dealer's meet, trade body membership, complaints management, helpdesk, conferences, customer surveys.	Ongoing	Product quality and availability, responsiveness to needs, after sales service, responsible guidelines / manufacturing, climate change disclosures, Safety awareness.
Suppliers / Partners	No	Prequalification/ vetting, communication and partnership meets, plant visits, MoU and framework agreements, professional networks, contract management/ review, on site presentations, satisfaction surveys	Ongoing	Quality, timely delivery and payments, ESG consideration (sustainability, safety checks, compliances, ethical behaviour), collaboration and digitalisation opportunities
Communities	No	Meets of community / local authorities / location heads, community projects, partnership with local charities, volunteerism, seminars/ conferences, CSR Partner's meet	Ongoing	Community development, disaster relief, Education, Skill development, etc.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY-2023 Current Financial Year			FY-2022 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	677	677	100%	206	206	100%
Other than Permanent	84	84	100%	6	6	100%
Total Employees	761	761	100%	212	212	100%
Workers						
Permanent	0	0	0%	0	0	0%
Other than Permanent	0	0	0%	0	0	0%
Total Workers	0	0	0%	0	0	0%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY-2023 Current Financial Year					FY-2022 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	461	0	0%	461	100%	142	0	0%	142	100%
Female	216	0	0%	216	100%	64	0	0%	64	100%
Other than Permanent										
Male	49	0	0%	49	100%	2	0	0%	2	100%
Female	35	0	0%	35	100%	4	0	0%	4	100%
Workers										
Permanent										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	6	₹ 3,17,50,000	2	-*-
Key Managerial Personnel**	4	₹ 1,65,00,000	0	-
Employees other than BoD and KMP	457	₹ 12,00,000	216	₹ 8,50,000
Workers	Not Applicable			

*Only Executive Directors are considered for median calculation.

Note : Details include persons who are Executive Directors holding the positions of Managing Director and Whole Time Director.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, at Subex Limited, we take human rights impacts and issues seriously and have established a dedicated focal point to address them effectively. Our approach to addressing human rights impacts is guided by our global grievance policy, which ensures that we uphold human rights standards across our operations.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

At Subex Limited, we are fully committed to addressing human rights issues and grievances in a prompt, fair, and effective manner. To ensure that individuals who are affected by our operations have a reliable and transparent channel to voice their concerns, we have established internal mechanisms guided by our global grievance policy.

6. Number of Complaints on the following made by employees and workers:

	FY-2023 Current Financial Year			FY-2022 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0		0	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

At Subex Limited, we are committed to fostering a work environment that is inclusive, respectful, and free from discrimination and harassment. We recognize the importance of preventing adverse consequences for complainants in cases of discrimination and harassment, and we have implemented robust mechanisms to achieve this goal. Our comprehensive policies, including the Prevention of Sexual Harassment at Workplace policy, Grievance policy, and Equal Employment policy, are integral to our commitment to addressing discrimination and harassment. These policies provide clear guidelines for promoting a safe and respectful workplace, preventing discriminatory practices, and addressing any grievances that may arise.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No, currently human rights requirements are not explicitly incorporated into our business agreements and contracts. However, we recognize the importance of upholding human rights across our value chain and actively encourage our partners and stakeholders to comply with human rights standards.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No corrective actions are required as no significant risks or concerns were identified from the assessments conducted in response to Question 9.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY-2023 Current Financial Year	FY-2022 Previous Financial Year
Total electricity consumption (A)	504 GJ	453.60 GJ
Total fuel consumption (B)	957.25 GJ	861.53 GJ
Energy consumption through other sources (C)	0 GJ	0 GJ
Total energy consumption (A+B+C)	1461.25 GJ	1315.13 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	5.34 GJ/Cr	19.24 GJ/Cr
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY-2023 Current Financial Year	FY-2022 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	4500	4000
(iii)Third party water	0	0
(iv)Seawater / desalinated water	0	0
(v)Others	0	0
Total volume of water withdrawal(in kilolitres) (i + ii + iii + iv + v)	4500	4000
Total volume of water consumption (in kilolitres)	4500	4000
Water intensity per rupee of turnover (Water consumed / turnover)	16.45Kl/Cr	58.51 Kl/Cr
Water intensity (optional) – the relevant metric may be selected by the entity	NA	

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Not Applicable

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY-2023 Current Financial Year	FY-2022 Previous Financial Year
Total Scope 1 Emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	66.91	60.219
Total Scope 2 Emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	100.10	90.09
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO2e/INR Crore	0.61	2.20
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA		

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

While Subex Limited occupies a rented space in a tech park, we are in constant discussion with builder of the facility to reduce Greenhouse Gas (GHG) emissions associated with the building. These efforts align with our commitment to environmental sustainability and contribute to the reduction of our carbon footprint.

8. Provide details related to waste management by the entity, in the following format:

(a) Total Waste generated (in metric tonnes)

Parameter	FY-2023 Current Financial Year	FY-2022 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	All relevant 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 all the 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.	
E-waste (B)		
Bio-medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any (G)		
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Total (A+B + C + D + E + F + G + H)		

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

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.

Subex aims to reduce its impact on the environment by:

1. Monitoring the level of water and energy used along with the waste produced.
2. Targeting a reduction in the use of plastics, electricity and water, along with an increase in amount of waste that is recycled/ reused etc.
3. Increasing the awareness on environment safety and engagement of employees in such measures.
4. Adopting sustainable practices designed to ensure the health and safety of Subex's employees, stakeholders, and the environment.
5. Operating its business in compliance of applicable environmental laws and regulations.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Not Applicable

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

3

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	FKCCI (Federation of Karnataka Chambers of Commerce and Industry)	State
2	Confederation of Indian Industry (CII)	National
3	Karnataka and DSCI (Data Security Council of India)	State

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not applicable. No action needed.		

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

At Subex Limited, we value the input and concerns of the communities in which we operate and are committed to maintaining open lines of communication with community leaders. We have established a mechanism that enables us to engage with community leaders to understand their concerns and address them effectively. Our engagement with community leaders serves as a platform for us to learn from their insights and feedback, and to collaboratively explore solutions to any issues that may arise. This approach helps us foster positive relationships and contribute to the well-being of the communities we are a part of. More details can be found at https://www.subex.com/pdf/investors/Corporate-Governance/Subex-Global-Whistle-blowing-Policy.pdf

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY-2023 Current Financial Year	FY-2022 Previous Financial Year
Directly sourced from MSMEs/ small producers	9	14
Sourced directly from within the district and neighbouring districts	Data not available	Data not available

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

At Subex Limited, we are dedicated to delivering exceptional products and services to our customers and value their feedback as an important source of improvement. We have established user-friendly mechanisms to receive and respond to consumer complaints and feedback effectively.

Customers seeking to connect with us can utilize our 'Contact Us' page on our official website. Additionally, we have set up an email address, info@subex.com, through which customers can communicate their queries, complaints, and suggestions.

We take all customer feedback seriously and are committed to responding promptly and professionally. Our customer support teams are well-equipped to address a wide range of inquiries, and we ensure that each communication is acknowledged and addressed in a timely manner.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Not applicable as the Company does not have specific consumer product or product range

3. Number of consumer complaints in respect of the following:

	FY-2023 Current Financial Year			FY-2022 Previous Financial Year		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	0	0		0	0	

4. Details of instances of product recalls on account of safety issues:

Not Applicable as there have been no instances of product recalls on account of safety issues.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. Subex views security as a multi-dimensional matrix that covers privacy, security and risk mitigation through Subex Security Policy, Subex Risk Assessment Strategy and Subex Data Privacy Policy.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

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/ losses 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 create connected experiences in their digital ecosystems. With AI at the core, Subex is now helping Communications Service Providers ("CSP") reimagine a future of providing seamless, intelligent, connected experiences to their customers. Our strength lies in understanding the dynamic needs of the telco market and leveraging emerging technologies like AI, ML, Blockchain, and more, 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 of which help 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 AI-first line of offerings, Subex empowers CSPs and enterprise customers to make faster and better decisions by leveraging Artificial Intelligence (AI) across the data value chain.

"The Subex Advantage" comes from our 25+ years of experience in enabling 3/4th of the largest 50 CSPs globally achieve competitive advantage. Being truly a global company, we have more than 300 installations across 90+ countries.

We have a global presence, employing over 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

As of the end of 2022, the global number of mobile service subscribers exceeded 5.4 billion, with approximately 4.4 billion individuals also using mobile internet services. Over the past five years, there has been a significant reduction in the gap between mobile internet users and overall mobile subscribers, declining from 50% in 2017 to 41% in 2022 on average. Nevertheless, despite this progress, the remaining disparity requires immediate attention from all stakeholders.

The mobile industry has become a crucial contributor to the global economy, generating 5% of the global GDP in 2022. This amounted to $5.2 trillion of added economic value and supported approximately 28 million jobs across the broader mobile ecosystem. Looking ahead, the adoption of 5G technology will play a pivotal role in driving future mobile innovation and services. With ongoing deployments and increased adoption, 5G is projected to reach a 17% adoption rate in the current year and is anticipated to rise to 54% by 2030, equivalent to approximately 5.3 billion connections.

By 2030, 5G technology is expected to contribute nearly $1 trillion to the global economy, benefitting various industries. The impact of this technology will be widespread, bringing advantages and advancements to multiple sectors. It is crucial to acknowledge the potential transformative effects of 5G and the opportunities it presents for economic growth and development.

Key trends shaping the mobile ecosystem

5G consumer monetisation comes into focus

In the year 2023, approximately 30 new markets are set to introduce 5G services. It is particularly noteworthy that many of these markets will be in developing regions across Africa and Asia, indicating that the adoption of 5G is becoming a global trend. As the scale of 5G adoption expands, there will be an increasing emphasis on monetization strategies. Mobile operators will concentrate their marketing efforts on highlighting the connection between mobile devices, 5G technology, and new digital services. Additionally, these operators will extend their 5G fixed wireless access (FWA) offerings to reach new areas.

In markets where the predominant fixed broadband technology is DSL (Digital Subscriber Line), there is likely to be a greater growth in 5G FWA penetration. Moreover, markets characterized by low fixed broadband penetration, but rising incomes will also experience faster-than-average growth in terms of 5G adoption.

Private 5G builds momentum

The resurgence of private wireless solutions can be attributed to the advanced capabilities of 5G technology, which have expanded deployment possibilities beyond niche applications. Multiple industries find private wireless networks particularly well-suited for their operations. Additionally, the transport and logistics sector is projected to witness significant growth in private network adoption due to 5G's enhancements in capacity, latency, and reliability,

enabling the facilitation of new use cases within a private wireless environment.

To achieve widespread adoption and scalability of private networks, it is crucial for solutions to become more affordable and easier to install and operate. This demand for cost-effective implementation has led to a rising interest in pre-integrated solutions that come with the necessary supporting infrastructure. By offering streamlined and comprehensive solutions, organizations aim to simplify the deployment process and reduce complexities associated with private wireless networks, ultimately driving their broader adoption.

Mobile industry shifts towards circularity

Sustainability has evolved from being solely a matter of corporate social responsibility to becoming a fundamental strategic priority across the telecoms ecosystem. Industry stakeholders are now embracing a model that emphasizes the sharing, leasing, reusing, repairing, refurbishing, and recycling of existing materials and products as a central aspect of production, service offerings, and consumption. This circular approach is crucial for enabling networks to operate in a more sustainable and energy-efficient manner, while also driving the industry towards achieving its climate objectives. By prioritizing sustainability and adopting circular practices, the telecoms industry can make significant progress towards reducing its environmental impact and achieving its climate-related goals.

The metaverse continues to gain traction

The momentum surrounding the metaverse is steadily increasing, supported by advancements in enabling technologies such as 5G, AI, and wearables. Key stakeholders and players in the ecosystem are displaying a growing interest, resulting in the development of essential foundations for the progression of the metaverse. These building blocks include content and applications, standards, and devices, which will be central to the activities taking place in 2023.

Beyond providing connectivity, the metaverse presents operators with opportunities for new revenue streams. This highlights the importance of innovation and partnerships in identifying use cases and network requirements that align with the metaverse concept. Operators must actively seek out novel approaches and collaborate with various stakeholders to fully harness the potential of the metaverse and capitalize on its emerging possibilities.

Fintech presents opportunities for mobile industry players

Fintech has revolutionized the delivery of financial services to both consumers and businesses, fundamentally transforming the industry. While investor sentiments experienced a significant decline in 2022 following a year of record funding, the underlying drivers of growth, such as robust demand, digitally-centered lifestyles, and supportive regulations, remain strong. The fintech market remains fragmented, but its positive long-term growth prospects increase the likelihood of consolidation and attract interest from established financial institutions and companies in diverse sectors, including mobile ecosystem players. These entities are keen to capitalize on the opportunities presented by fintech through strategic investments, collaborations, and partnerships, recognizing the potential for synergy and mutual benefit.

OUR PORTFOLIO

For over two decades, Subex has held an eminent position as the undisputed market leader in the realm of Risk Management solutions for the telecom industry. Throughout our illustrious journey, we have remained resolute in our pursuit of unrivaled excellence and unwavering commitment to innovation, rendering us an esteemed and trusted name in the domain. Our portfolio stands as a testament to our unwavering dedication, encompassing a comprehensive array of avant-garde solutions tailored to empower telecom operators in crafting seamless and unparalleled connected experiences for their discerning clientele.

In the ever-evolving world of telecommunications, connectivity lies at the heart of all interactions. Subex, a pioneering telecom AI solutions provider, envisions a future where the telecom industry leverages the power of connectivity to revolutionize customer experiences, enhance operational efficiency, and pave the way for unprecedented growth. By focusing on creating connected experiences within the telecom sector, Subex aims to shape a vibrant landscape where communication knows no bounds.

HyperSense

HyperSense is Subex's cutting-edge AI-first line of offerings, revolutionizing the way businesses harness the power of artificial intelligence. With HyperSense, Subex has ingeniously crafted a suite of AI-driven solutions that cater to the evolving needs of organizations across diverse sectors. These offerings not only demonstrate Subex's commitment to staying at the forefront of technological innovation but also serve as a testament to their dedication to empowering businesses with intelligent, data-driven decisions. HyperSense is poised to drive enhanced operational efficiencies, predictive insights, and proactive risk management, making it an indispensable asset for any enterprise seeking to thrive in the era of AI transformation.

Business Assurance

HyperSense Business Assurance system based on Active Risk Intelligence (ARI) provides the most comprehensive AI/ML tooling in the Business Assurance industry from over 25 years of implementation experience. It enables telcos to work on a dynamic risk marketplace and entails collaboration & knowledge management to enhance risk mitigation and improve decision making. 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, the HyperSense Fraud Management system is the only AI-first fraud management system for telcos enabling them to effectively combat fraud and security risks by leveraging AI in every step of the fraud management process. With a state-of-the-art AI engine at the core, it helps risk professionals increase business-coverage, accuracy, and precision and enables them to use AI in a sustained manner. With Subex's comprehensive fraud management system, operators can detect more than 350 types of fraud in all telecom environments.

NETWORK ANALYTICS

Enterprise Asset Management

Subex's Enterprise Asset Management provides CSPs with the necessary framework and controls to make the best use of their assets, thereby helping manage network Capex efficiently and maximizing asset ROI. 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.

Partner Ecosystem Management

A platform to manage all aspects of the digital and traditional partnerships that will allow CSPs to accelerate their digital services portfolio expansion.

Partner Lifecycle 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

Subex's Wholesale Billing and Routing solution enales you to 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. 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. We cover Interconnect Billing & Settlement, Reconciliation and Dispute Management, OBR, Route Optimization, Contract Lifecycle Management.

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 possibility of fraud by removing the likelihood of paying high cost traffic or lose inbound roaming revenue by supporting NRTRDE (Near Real-Time Roaming Data Exchange) and HUR (High Usage Report).

Sectrio

The Sectrio suite of IoT-OT-IT and 5G cybersecurity solutions include:

- IoT-OT-IT Converged Security Suite: a comprehensive cybersecurity offering designed to secure converged environments from cross-stream threats. This includes technology-specific and technology - agnostic threats that can operate across environments to target devices, IT systems, and SCADA and ICS.
- Threat Intelligence: It offers specific threat intelligence that is relevant, actionable, and contextual to various businesses. This leads to reduced false positives, improved SecOps efficiency and improved threat hunting.
- 5G Security: It offers comprehensive protection for 5G linked infrastructure and installations

In addition to the above, there are also modules for vulnerability management, threat management and micro segmentation.

IDcentral (Identity Analytics)

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.

Consulting & Advisory 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 & Improvement: Benchmarking of their Business Assurance (including Revenue Assurance, Fraud Management and other assurance areas) processes concerning global standards, and providing recommendations across strategies, people skills, processes, technologies, measurement and management reporting practices.

Functional Assessments: Gap analysis of existing RAFM functional processes, technology and provide the roadmap to close these gaps using "analyse, evaluate, assess and recommend" framework.

Risk Advisory & Management: Identify the risks in the revenue chain and plug leakages promptly, through regular 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 utilizing relevant industry standards and developing comprehensive standard operating procedures.

Business process re-engineering: Review of the existing business processes, design and implementation of new business processes based on industry leading practices.

Transformation & Migration Assurance: Creation of assurance framework across the transformation or migration journey of OSS/ BSS systems. Subex can assist operators in providing the necessary support during the end-to-end migration process to avoid revenue/ cost leakages, negative customer experience, project delays and budget overruns.

Product and Service Margin Assurance: Assessment of the target market, holistic margin and profitability for the entire service and product catalogue.

Accounting Assurance: Formalization of secondary control universe which would be executed by Business Assurance teams to provide the assurance to CFO on the current revenue reporting across all revenue segments. This will also include an independent revenue computation to identify the gaps (if any).

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.

Creating a resilient telecom landscape by tracking threats and unlocking opportunity

Key Announcements in FY23

HyperSense named in 2022 Gartner® Market Guide for Multipersona Data Science and Machine Learning Platforms

Subex has been named in 2022 Gartner® Market Guide for Multipersona Data Science and Machine Learning Platforms (DSML). According to this Market Guide for Multipersona Data Science and Machine Learning Platforms, "Data science and machine learning are evolving rapidly with key trends such as augmentation and democratization. To support the needs of an increasingly diverse group of technical and nontechnical roles, data and analytics leaders should apply multipersona DSML platforms.

Ethio Telecom selects HyperSense Fraud Management

Subex announced that it has been selected by Ethio Telecom to deploy its Fraud Management solution. The solution, which is built on Subex's AI orchestration platform, HyperSense, will replace Ethio Telecom's existing legacy fraud management system, thereby enabling them to move from a traditional rules-based approach to an AI-first approach. This approach will, in-turn, enable them to detect new and unknown threats in real-time.

Unitel selects Subex for protection against telecom fraud

Subex announced that it has been selected by Asian telecommunications and internet major Unitel LLC to help the operator in its fight against fraud and digital crimes. As part of the agreement, Subex's Signaling Security solution will help Unitel leverage signaling data for the early detection and mitigation of all types of fraud, thereby ensuring the prevention of any loss of information or revenue.

Subex announced the showcase of its AI solutions at MWC. Subex showcased its award-winning platform, HyperSense AI, and its capabilities to cover many AI-related use cases. Towards this, Subex demonstrated its HyperSense AI-led solutions to drive growth, protect revenues, enhance profitability, optimize Capex and expand digital service offerings.

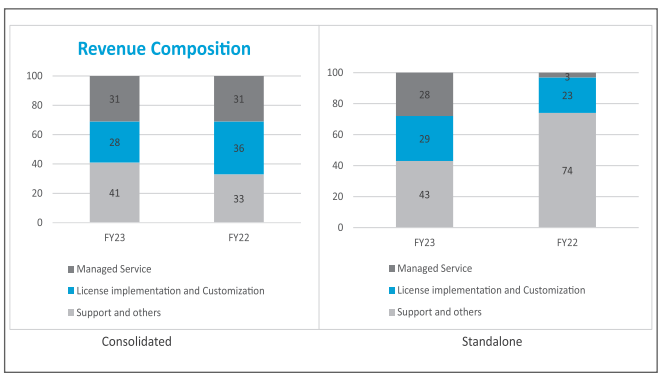
REVENUE MODEL

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 increased 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.



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 led to uncertainty and ambiguity across the globe. Similarly, in 2022, the impact of the Ukraine-Russia conflict on businesses has been significant, with decreased economic activity, disrupted supply chains, and increased risk and uncertainty. There could still be dramatic changes in the business. However, due to lack of precedents, 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 large communications service providers ("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.

Additionally, the ongoing Ukraine-Russia conflicts has had a significant impact on businesses around the world. The conflict has resulted in a slowdown of global economic activity and has disrupted trade flows and made it difficult for businesses to operate in the affected regions. This geo-political conflict is ongoing and may lead to decreased revenue and profitability.

Consolidation in our customer base

CSPs have gone through considerable consolidation. The consolidation, or merger, of one CSP with another can have 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 customers 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 impact 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, leveraging multiple social media platforms and events, channel partners, referral campaigns, campus placements, and internal job postings. We were successfully able to hire close to 330 Subexians under 100% TAT for vanilla, niche and strategic positions.

Our recruiters had been efficient in the hiring process and have been able to close on the requirements with minimal external/vendor support and quickly adapted to the hybrid workplace environment and executed virtual and in-person hiring processes while facilitating quick closure. The steps have been taken below to improve the quality of hire:

- Training & upskilling the recruitment team
- Streamline recruitment process
- POFU (Post offer follow up)
- Focused strategy on campus hiring's adding premier institute like NIT, IIT, IIIT in the list.

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. Asset related to IT i.e Laptop, servers etc. are disposed to Authorized E-waste Vendor only

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, 2023.

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.

Subex conducts security awareness programs and improve the existing business continuity controls. 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

(₹ in Lakhs)

Financial Highlights/Year Ending 31st March	2022-23		2021-22	
	Consolidated	Standalone	Consolidated	Standalone
Revenue from operations	27,869	27,352	33,344	6,836
Total Income	28,685	27,594	34,381	6,842
Earnings Before Interest, Exceptional Items & Taxes (EBIT)	(4,464)	(4,552)	2526	(832)
Profit/(Loss) before tax	(3,906)	(7,699)	3,369	(447)
Tax expenses	1,215	(823)	1,270	(-)
Profit/ (Loss) after tax	(5,121)	(6,876)	2,099	(447)
Other comprehensive income	620	19	203	(3)
Equity dividend %	Nil	Nil	5%	5%
Share Capital	28,100	28,100	28,100	28,100
Reserves & Surplus	24,084	14,287	28,267	20,826
Net worth	52,184	42,387	56,357	48,926
Gross Property, Plant & equipment, right-of-use asset and other intangible assets	8,524	10,265	5,706	6,263
Net Property, Plant & equipment, right-of-use asset and other intangible assets	4,136	4,057	2,359	715
Total Assets	70,362	60,568	72,008	54,364

Key Financial Ratios (Consolidated)	2023	2022	Change
Return on Capital Employed (RoCE) %	(15.94%)	8.38%	(290%)
Return on Net Worth (RoNW)%	(9.44%)	3.77%	(350%)
Basic EPS (Rs/Share)	(0.93)	0.38	(342%)
Debtors' turnover (Days)	123	107	14%
Inventory turnover (Days)	NA		
Interest coverage ratio	(13.43)	16.91	(179%)
Current ratio	3.05	3.90	(22%)
Debt equity ratio	0.06	0.03	146%
Operating Profit Margin (%)	(11%)	10.54%	(204%)
Net Profit Margin (%) or sector-specific equivalent ratios, as applicable	(18.38%)	6.29%	(392%)
details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof	The return on net worth has decreased mainly due to loss in the current year.		

Key Financial Ratios (Standalone)	2023	2022	Change
Return on Capital Employed (RoCE) %	(17.20%)	(0.91%)	1790%
Return on Net Worth (RoNW)%	(15.06%)	(0.90%)	1573%
Basic EPS (Rs/Share)	(1.25)	(0.08)	1412%
Debtors' turnover (Days)	111	213	(48%)
Inventory turnover (Days)	Not Applicable		
Interest coverage ratio	(23.73)	(22.67)	5%
Current ratio	1.11	1.47	(24%)
Debt equity ratio	0.07	0.00	0.00%
Operating Profit Margin (%)	(24%)	(4%)	487%
Net Profit Margin (%) or sector-specific equivalent ratios, as applicable	(25.14%)	(6.54%)	284%
details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof	The return on net worth has decreased mainly due to loss in the current year.		

COMMENTARY ON FINANCIAL STATEMENTS

Share Capital

As on March 31, 2023, the issued, subscribed and paid-up share capital of the Company was ₹ 281,00,14,675 (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 Company has not allotted equity shares in FY 2022-23.

Reserves and Surplus

Securities premium

On standalone and consolidated basis, the balance of security premium as on March 31, 2022 amounted to ₹ 16,558 lakhs. During the year 2022-23, ₹ 26 lakhs has been transferred to securities premium on exercise of share options by employees. As on March 31, 2023, the balance of security premium was ₹ 16,584 lakhs.

Retained Earnings

On a standalone basis, as on March 31, 2022, there was surplus balance in retained earnings amounting ₹ 135 lakhs. As on March 31, 2023, the surplus balance has decreased to ₹ (6,722) Lakhs.

On a consolidated basis, as on March 31, 2022, there was surplus in retained earnings amounting ₹ 21,655 lakhs. As on March 31, 2023, the surplus balance has decreased to ₹ 16,573 Lakhs

Exchange differences on translating the financial statements of a foreign operation

During the year 2021-22, the balance of Foreign Currency Translation Reserve of ₹ (11,303) Lakhs has been included in the Reserves and Surplus to bring it in line with Schedule III of the Act.

During the year 2022-23, the balance of Foreign Currency Translation Reserve of ₹ (10,722) 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 is at ₹ 42,387 lakhs as on March 31, 2023, as compared to ₹ 48,926 lakhs as on March 31, 2022.

On a consolidated basis, the total equity attributable to equity holders of the Company has decreased to ₹ 52,184 lakhs as on March 31, 2023 from ₹ 56,367 lakhs as on March 31, 2022. The movement was primarily on account of loss during the year and exchange gain on foreign currency translation.

Employee Stock Options Plan

Under the Subex Employees Stock Option Scheme-2018 Company has granted NIL options during the year ended March 31, 2023 as compared to 1,448,000 options during March 31, 2022. The net amount carried in respect of stock options outstanding on March 31, 2023 amounts to ₹ 444 Lakhs (Previous year: ₹ 267 Lakhs).

Property, plant, equipment, right-of-use asset and other intangible assets

During the year, the Company added ₹ 4,080 Lakhs on consolidated basis and ₹ 4,529 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 on March 31, 2023, the balance in right-of-use asset stands at ₹ 3,158 Lakhs on consolidated basis and ₹ 2,817 lakhs on standalone basis. Refer note 29 of consolidated financial statement and note 28 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 ₹ 4,136 Lakhs (Previous year ₹ 2,359 Lakhs) on consolidated basis and ₹ 4,057 lakhs (Previous year ₹ 715 lakhs) on standalone basis.

Goodwill

On a consolidated basis, carrying value of goodwill as on March 31, 2023 and March 31, 2022 stood at ₹ 34,409 lakhs .

Investments

On a standalone basis, the total investment value as on March 31, 2023 and as on March 31, 2022 stood at ₹ 34,555 Lakhs and ₹ 42,761 Lakhs respectively.

During the year 2022-23, the Company withdrew ₹ 9,200 lakhs from its investment in Subex Assurance LLP.

During the year 2022-23 and previous year 2021-22, there is no diminution in the carrying value of investment. in Subex Digital LLP, Subex Americas Inc. The carrying value of these investments stood 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 on March 31, 2023, on a standalone basis trade receivable amounted to ₹ 10,883 lakhs (previous year; ₹ 5,824 lakhs) net of provision for doubtful debts of ₹ 4,705 lakhs (previous year; ₹ 2,239 lakhs).

On a consolidated basis trade receivable amounted to ₹ 9,037 lakhs (previous year ₹ 9,681 lakhs) net of provision for doubtful debts of ₹ 3,897 lakhs (previous year ₹ 1,834 lakhs).

Cash and Cash Equivalents

On a standalone basis, balance in current and deposit accounts stood at ₹ 2,448 lakhs as on March 31, 2023, as compared to ₹ 802 lakhs as on March 31, 2022.

On a consolidated basis, balance in current, EEFC and deposit accounts stood at ₹ 5,238 lakhs as on March 31,2023 as compared to ₹ 8,539 lakhs as on March 31, 2022.

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 on March 31, 2023 was Nil (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.

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 decreased to ₹ 20,069 lakhs compared to previous year at ₹ 21,449 lakhs on consolidated basis. The decrease on consolidated basis was majorly on account of headcount reductions.

Operating Profits

During the year, on consolidated basis, the Company earned an Operating Profit/(loss) before interest, depreciation, tax, amortization and exceptional items of ₹ (3,065) Lakhs being 11% of total revenue as against ₹ 3,514 Lakhs at 10.5% total revenue during the previous year. Decrease is majorly on account of decrease in revenue largely due to contraction in Managed Services business and delivery revenue reduction.

On a standalone basis, the Company earned Operating profit / (loss) before Interest, depreciation, tax and exceptional items of ₹ (3,365) Lakhs (excluding other income and share of profit/loss from LLP's) being 12.3% of total income (excluding other income and share of profit/loss from LLP's) as against ₹ 995 Lakhs at 14.6% during the previous year. Decrease in profit is majorly on account of decrease in revenue.

Interest

During the year ended March 31,2023, company recognized interest expense totaling to ₹ 258 Lakhs (Previous year: ₹ 194 Lakhs) on a consolidated basis and ₹ 230 lakhs (Previous year: ₹ 12 Lakhs) on a standalone basis.

For the year ended March 31, 2023, expenditure includes interest on Lease liability recognized as per Ind AS 116, Leases amounting ₹ 220 Lakhs (Previous year ₹ 124 lakhs) and ₹ 199 Lakhs (Previous year ₹ 4 lakhs) on a consolidated and standalone basis respectively.

Depreciation

During the year ended March 31, 2023, depreciation expense amounted to ₹ 1,399 Lakhs (Previous year ₹ 988 Lakhs) on consolidated basis and ₹ 1,187 Lakhs (Previous year ₹ 163 Lakhs) on standalone basis.

For the year ended March 31, 2023, depreciation and amortization include depreciation on right of use asset recognized as per Ind AS 116- Leases, amounting ₹ 830 Lakhs (Previous year ₹ 457 lakhs) and ₹ 661 Lakhs (Previous year ₹ 10 lakhs) on a consolidated and standalone basis respectively.

Tax Expense

For the year ended March 31, 2023, there was a tax reversal of ₹ 823 lakhs (Previous year: tax expense of Nil) on a standalone basis.

During the year ended March 31, 2023, tax reversal includes deferred tax credit of ₹ 1,147 lakhs and provision for foreign WHT of ₹ 324 lakhs.

On a consolidated basis, tax expense was ₹ 1,215 lakhs (previous year; ₹ 1,270 lakhs).

Tax expense for the year March 31, 2023 includes tax charge of ₹ 89 lakhs (Previous year ₹ 251 lakhs), deferred tax credit of ₹ 534 lakhs (Previous year ₹ 426 lakhs) and provision on Foreign tax credit of ₹ 1,660 (Previous year ₹ 593 lakhs).

Net Profit

On consolidated basis, the net loss of the Company amounted to ₹ (5,121) Lakhs as against a net profit of ₹ 2,099 Lakhs during the previous year. Total Comprehensive loss for the year is ₹ (4,501) Lakhs as compared to profit of ₹ 2,302 Lakhs during previous year.

On standalone basis, the net loss of the Company amounted to ₹ 6,876 lakhs as against net profit of ₹ 447 Lakhs during the previous year. Total Comprehensive loss for the year is ₹ 6,857 Lakhs as compared to total comprehensive profit of ₹ 450 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 ₹ (0.93) per share (Previous year: ₹ 0.38 per share) on a consolidated basis and loss of ₹ 1.25 per share [Previous year: ₹ 0.08 per share] on a standalone basis.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Subexians

FY23 turned out to be a year of stabilisation as the overall corporate environment was impacted since the pandemic. We adopted to a hybrid way of working to enable all Subexians to work as effectively and productively as possible through this year.

Our endeavour was to enhance the Subexian experience throughout their 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 centres are our offices located in Bengaluru, London, Denver, Dubai and Singapore. As of March 31, 2023, we had around 900+ 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, Loan, 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.

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, and this continues to be updated.

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.

Recruitment

Recruitment team was adaptable to execute virtual and in-person interviews considering the hybrid work environment. To add to the rigor 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 leveraging social media platforms, attending social events to keep up the pace with industry insights, Coffee with the Hiring Manager, Post- offer feedback and engagement, Subexian referral program, interviewer feedback, Buddy Programme etc.. 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 recognised and appreciated. 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.

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, for Subexians to have 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 behaviours, thereby aligning people with the desired organizational goals.
- Better employee job satisfaction
- Enhances team spirit
- Improves retention: Employees who feel valued, appreciated, and recognized are more likely to stay with an organization.
- Lowers employee turnover by acting as a retention tool.
- 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, SPOT awards 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, 2023, 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, 2023, its loss 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, 2023. 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, 2023, the net carrying value of investment in wholly owned subsidiaries in the standalone Ind AS balance sheet amounts to ₹ 33,561 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) In respect of valuation assessment performed by the management, we have obtained and assessed the key assumptions used; (iii) We have evaluated the competences, capabilities and objectivity of the management's expert and obtained an understanding of the scope of work and the terms of engagement. (iv) We involved valuation specialists for evaluating and testing the key assumptions and methodologies used by the management's expert in their valuation reports; (v) We performed sensitivity analysis in respect of key assumption used; (vi) We tested the arithmetical accuracy of the impairment models used; (vii) 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 (viii) We assessed the disclosures made in the standalone Ind AS financial statements.

Evaluation of key tax matters (as described in note 33 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 of disclosures made in the standalone Ind AS financial statements.
Revenue recognition (as described in note 21 of the Standalone Ind AS financial statements)	
The Company 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 Company 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 procedures included the following: (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) 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 Standalone Ind AS financial statements.

We have determined that there are no other key audit matters to communicate in our report.

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 do 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, 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.

The Director's report is not made available to us at the date of this auditor's report. 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, 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, 2023 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, 2020 ("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 except that the backup of all books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India on daily basis.

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive income/ (loss), the Cash Flow Statement and 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above.

(g) With respect to the adequacy of the internal financial controls 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;

(h) In our opinion, the managerial remuneration for the year ended March 31, 2023 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;

(i) 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 33 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;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable for the Company only w.e.f. April 1, 2024, reporting under this clause is not applicable.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803
UDIN: 23213803BGXAKX4589

Place of signature: Bengaluru, India
Date: May 15, 2023

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date on the Standalone Ind AS Financial Statements of Subex Limited

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangibles 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 is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) held by the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2023.

(e) According to the information and explanations given by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not involve maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given by the management, the Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year, the Company has provided advances in the nature of loans to other parties (i.e., employees) as follows:

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/provided during the year - Others (i.e., employees)	-	-	-	Rs. 72.08 Lakhs
Balance outstanding as at balance sheet date in respect of above cases - Others (i.e., employees)	-	-	-	Rs. 28.84 Lakhs

(b) During the year the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans to other parties (i.e. employees) are not prejudicial to the Company's interest.

(c) The Company has granted advance in the nature of loans during the year to other parties (i.e. employees) where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except in the following case where loans were granted in earlier years, there are no repayments of principal and interest.

Name of the Entity	Amount	Due date	Extent of delay	Remarks, if any
Subex Technologies Limited	₹ 1,706 Lakhs	Note 1	Note 1	The amount given to the wholly owned subsidiary is fully provided for, in the books of the Company.

Note 1: The Company had granted the above loans in earlier years which have been fully impaired in the books of the Company in earlier years. Further, no interest is accrued in respect of these loans.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties (i.e., employees) which are overdue for more than ninety days except for the loan given to Subex Technologies Limited which has been provided as detailed in note 1 of the previous paragraph.

(e) There were no loans or advance in the nature of loan granted to other parties (i.e. employees) which have fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given by the management, there are no loans, investments, guarantees, and security in respect of which provisions of

sections 185 of the Companies Act, 2013 ("the Act") are applicable and hence not commented upon. Further, according to the information and explanations given to us, provisions of sections 186 of the Companies Act, 2013 in respect of loans, investments and, guarantees, and security have been complied with by the Company. However, in case of one subsidiary where the loan granted during previous years amounting to INR 1,706 lakhs has been provided for in previous years considering the financial position of the said subsidiary.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(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 regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the records of the Company, there are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other statutory dues 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	Assessing officer ('AO')
		1,028#	1,028	2013-14	Assessing officer ('AO')
		369	369	2013-14	Hon'ble High Court of Karnataka
		379#	379	2010-11	Assessing Officer ('AO')
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, 2023.

The Company has received partial/complete favorable orders from Income Tax Appellate Tribunal ('ITAT')/Hon'ble High Court of Karnataka and is awaiting order giving effect from assessing officer.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associates or joint ventures.

(f) On an overall examination of the financial statements, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any associates or joint venture. Accordingly, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanation given by the management, the Company has not raised any money

during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) According to the information and explanation given by the management, no fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by secretarial audit or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) In our opinion, the Company is not a nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is 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) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, as referred to in section 192 of the Act and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given by the management, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has incurred cash losses in the current year amounting to Rs. 6,512 lakhs. In the immediately preceding financial year, the Company had incurred cash losses amounting to Rs. 284 lakhs.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 40 to the standalone Ind-AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company does not have any obligation to incur expenses in relation to Corporate Social Responsibility as disclosed in note 39 to the standalone Ind-AS financial statements. Accordingly, the requirement to report on clause (xx)(a) and (b) of the Order is 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: 23213803BGXAKX4589

Place of Signature: Bengaluru
Date: May 15, 2023

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, 2023 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, 2023, 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: 23213803BGXAKX4589

Place of Signature: Bengaluru
Date: May 15, 2023

STANDALONE BALANCE SHEET

as at March 31, 2023

(₹ in Lakhs)

	Notes	As at March 31, 2023	As at March 31, 2022*
ASSETS			
Non-current assets			
Property, plant and equipment	3	715	29
Right-of-use assets	28	2,817	36
Intangible assets	4	525	650
Financial assets			
Investments	5	33,951	42,761
Other financial assets	10	653	26
Income tax assets (net)	11	2,941	2,903
Deferred tax asset(net) (including MAT credit entitlement)	12	1,283	141
Other non-current assets	13	41	12
		42,926	46,558
Current assets			
Financial assets			
Investment in mutual funds	5	604	-
Loans	6	88	30
Trade receivables	7	10,883	5,824
Cash and cash equivalents	8	2,448	802
Other balances with banks	9	2,112	75
Other financial assets	10	1,147	1,012
Other current assets	13	360	63
		17,642	7,806
Total assets		60,568	54,364
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	28,100	28,100
Other equity	15	14,287	20,826
Total equity		42,387	48,926
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	28	2,281	27
Provisions	19	74	100
		2,355	127

STANDALONE BALANCE SHEET (contd.)
as at March 31, 2023

(₹ in Lakhs)

	Notes	As at March 31, 2023	As at March 31, 2022*
Current liabilities			
Financial liabilities			
Lease liabilities	28	685	11
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	16	141	134
- total outstanding dues of creditors other than micro enterprises and small enterprises	16	8,043	1,031
Other financial liabilities	17	5,724	3,767
Other current liabilities	18	825	104
Provisions	19	305	122
Current tax liabilities (net)	20	103	142
		15,826	5,311
Total liabilities		18,181	5,438
Total equity and liabilities		60,568	54,364
Corporate information and significant accounting policies	1 & 2		
The accompanying notes are an integral part of the standalone financial statements			

* Refer note 1 (c)

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 15, 2023

For and on behalf of the Board of Directors of Subex Limited

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Sumit Kumar
Chief Financial Officer
Place: Bengaluru, India

Date: May 15, 2023

Nisha Dutt
Chief Executive Officer

Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

(₹ in Lakhs)

		Notes	Year ended March 31, 2023	Year ended March 31, 2022*
1	Income			
	Revenue from operations	21	27,352	6,836
	Other income	23	242	6
	Total income		27,594	6,842
2	Expenses			
	Employee benefits expense	24	12,191	4,293
	Finance costs	25	230	12
	Depreciation and amortization expense	26	1,187	163
	Share of loss from Limited Liability Partnerships (net)	22	3,159	1,273
	Other expenses	27	18,526	1,548
	Total expenses		35,293	7,289
3	Loss before tax expense (1-2)		(7,699)	(447)
4	Tax expense (net):			
	Current tax charge	20	-	141
	MAT credit entitlement / (reversal)	20	-	(141)
	Deferred tax (credit) / charge	20	(1,147)	-
	Provision - foreign income taxes	20	324	-
	Total tax expense		(823)	-
5	Net loss for the year (3-4)		(6,876)	(447)
6	Other comprehensive (loss)/ income ('OCI'), net of tax expense			
	Items that will not be reclassified subsequently to profit or loss			
	Re-measurement gain/(loss) on defined benefit plans	35	19	(3)
	Total other comprehensive income/(loss), net of tax		19	(3)
7	Total comprehensive loss for the year attributable to equity holders of the Company (5+6)		(6,857)	(450)
8	Earnings per equity share [(EPS) - nominal value of ₹ 5/- each (March 31, 2022: ₹ 5)]	29		
	Basic (₹)		(1.25)	(0.08)
	Diluted (₹)		(1.25)	(0.08)
	Corporate information and significant accounting policies	1 & 2		
	The accompanying notes are an integral part of the standalone financial statements			

* Refer note 1 (c)

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 15, 2023

For and on behalf of the Board of Directors of Subex Limited

Anil Singhvi
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Chief Financial Officer
Place: Bengaluru, India

Date: May 15, 2023

Nisha Dutt
Chief Executive Officer

Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2023

(₹ in Lakhs)

		Year ended March 31, 2023	Year ended March 31, 2022*
(A)	Cash flow from operating activities		
	(Loss)/ profit before tax expense	(7,699)	(447)
	Adjustments to reconcile loss before tax expense to net cash flows:		
	Depreciation of property, plant and equipment and right-of-use assets	1,062	38
	Amortization of intangible assets	125	125
	Expense on employee share based payments	209	7
	Interest income (including fair value changes)	(118)	(4)
	Net gain on sale of investments	(41)	(1)
	Finance costs (including fair value changes)	227	12
	Allowance for expected credit losses (net)	2,315	-
	Gain on disposal of property, plant and equipment (net)	(2)	-
	Share of loss from limited liability partnerships (net)	3,159	1,273
	Net foreign exchange differences	(178)	93
	Operating (loss)/ profit before working capital changes	(941)	1,096
	Working capital adjustments:		
	(Increase)/ decrease in loans	(8)	(4)
	(Increase)/ decrease in trade receivables	3,710	(3,619)
	(Increase)/ decrease in other financial assets	(1,332)	(43)
	(Increase)/ decrease in other assets	45	(12)
	Increase/ (decrease) in trade payables	3,013	824
	Increase/ (decrease) in other financial liabilities	468	(50)
	Increase/ (decrease) in other current liabilities	13	71
	Increase/ (decrease) in provisions	(27)	5
		4,941	(1,732)
	Income tax paid (including TDS, net of refund)	(396)	(137)
	Net cash flows from/ (used in) operating activities	4,545	(1,869)
(B)	Investing activities		
	Purchase of property, plant and equipment	(333)	-
	Proceeds from sale of property, plant and equipment	4	-
	Drawings from Limited Liability Partnerships	9,200	9,074
	Share of loss paid to Limited Liability Partnership	(1,185)	(5,750)
	Proceeds from sale of investments in mutual fund	6,567	2,875
	Investments in mutual fund	(7,130)	(2,876)
	Investments in equity instruments	(165)	-
	Investments in subsidiary	(225)	-
	Purchase consideration for business restructuring	(9,229)	-
	Net investment in deposit account	-	(75)
	Interest received	63	3
	Net cash flows (used in)/ from investing activities	(2,433)	3,251

STANDALONE STATEMENT OF CASH FLOWS (contd.)
for the year ended March 31, 2023

(₹ in Lakhs)

		Year ended March 31, 2023	Year ended March 31, 2022*
(C)	Cash flow from financing activities		
	Proceeds from exercise of ESOP	101	440
	Interest on lease liability	(199)	(4)
	Repayment of Lease liability	(368)	(8)
	Payments of dividend [refer note 15(a)]		(1,405)
	Net cash flows used in financing activities	(466)	(977)
(D)	Net increase in cash and cash equivalents (A+B+C)	1,646	405
	Cash and cash equivalents at the beginning of the year	802	397
(E)	Cash and cash equivalents at year end (refer note 8)	2,448	802

Corporate information and significant accounting policies (refer notes 1 & 2)
The accompanying notes are an integral part of the standalone financial statements
* Refer note 1(c)

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 15, 2023

For and on behalf of the Board of Directors of Subex Limited

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Sumit Kumar
Chief Financial Officer
Place: Bengaluru, India

Date: May 15, 2023

Nisha Dutt
Chief Executive Officer

Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

A. Equity share capital (refer note 14):

	No.	(₹ in Lakhs)
Equity shares of ₹ 5 each subscribed and fully paid-up		
As at April 1, 2021	56,20,02,935	28,100
Issued during the year	-	-
As at March 31, 2022	56,20,02,935	28,100
Issued during the year	-	-
As at March 31, 2023	56,20,02,935	28,100

B. Other equity (refer note 15):

(₹ 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, 2021	2,776	16,444	1,783	232	1,952	(1,121)	22,066
Less: Loss for the year	-	-	-	-	(447)	-	(447)
Less: Other comprehensive loss	-	-	-	-	(3)	-	(3)
Add: Share based expenses (refer note 34)	-	-	-	137	-	-	137
Add/(less): On account of exercise of stock options	-	114	-	(98)	-	424	440
Add/(less): On account of vested options lapsed during the year		-	4	(4)	-	-	-
Less: Dividend [refer note 15(a)]	-	-	-	-	(1,367)	-	(1,367)
As at March 31, 2022*	2,776	16,558	1,787	267	135	(697)	20,826
Less: Loss for the year	-	-	-	-	(6,876)	-	(6,876)
Less: Other comprehensive loss	-	-	-	-	19	-	19
Add: Share based expenses (refer note 34)	-	-	-	232	-	-	232
Add/(less): On account of exercise of stock options	-	26	-	(22)	-	82	86
Add/(less): On account of vested options lapsed during the year		-	33	(33)	-	-	-
As at March 31, 2023	2,776	16,584	1,820	444	(6,722)	(615)	14,287

Corporate information and significant accounting policies (refer notes 1 & 2)
The accompanying notes are an integral part of the standalone financial statements
* Refer note 1(c)

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 15, 2023

For and on behalf of the Board of Directors of Subex Limited

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Sumit Kumar
Chief Financial Officer
Place: Bengaluru, India

Date: May 15, 2023

Nisha Dutt
Chief Executive Officer

Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

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.

Further, the Board of Directors of the Company in its meeting held on October 28, 2021 has approved the restructuring of the business, subject to all requisite approvals, wherein the business carried out by Subex Assurance LLP will be transferred to Subex Limited on a 'going concern' basis excluding Developed Technology and Investment in subsidiaries. The aforesaid restructuring is being carried out to achieve higher operational efficiencies upon integration and consolidation of business in the listed entity. On February 23, 2022, the shareholder of the Company approved the aforesaid restructuring through postal ballot.

These standalone financial statements for the year ended March 31, 2023 are approved by the Board of Directors on May 15, 2023.

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 ("the Act") 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 34].

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.

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:

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

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 35).

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 34.

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 20.

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)].

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

- 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.

Advance tax paid is classified as non-current assets.

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

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 Company derives its revenues 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.

The following specific recognition criteria must also be met before revenue is recognized:

Revenues from licensing arrangements is recognized at a point in time 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 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

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 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 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 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 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.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

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 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

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.

Derivative financial instruments

Initial recognition and subsequent measurement

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 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

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.

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'

w. Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standard) Rules as issued from time to time.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

On Mar h 31, 2023 MCA amendment the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 – Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting polices rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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3. Property, plant and equipment

(₹ in Lakhs)

	Computer equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Office equipment	Total
Cost						
As at April 1, 2021	115	1	2	9	4	131
Additions	4	-	-	-	-	4
Disposals	-	-	-	-	-	-
As at March 31, 2022*	119	1	2	9	4	135
Additions	296	5	24	69	4	398
Purchase of assets	445	1	-	203	40	689
Disposals	-	-	(2)	-	-	(2)
As at March 31, 2023	860	7	24	281	48	1,220
Depreciation						
As at April 1, 2021	72	-	2	-	4	78
Charge for the year	25	1	-	2	-	28
Disposals	-	-	-	-	-	-
As at March 31, 2022*	97	1	2	2	4	106
Charge for the year	323	1	-	63	14	401
Disposals	-	-	(2)	-	-	(2)
As at March 31, 2023	420	2	-	65	18	505
Net block						
As at March 31, 2022*	22	-	-	7	-	29
As at March 31, 2023	440	5	24	216	30	715

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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4. Intangible assets

(₹ in Lakhs)

	Intellectual Property Rights	Total
Cost		
As at April 1, 2021	6,078	6,078
Additions	-	-
Disposals	-	-
As at March 31, 2022*	6,078	6,078
Additions	-	-
Disposals	-	-
As at March 31, 2023	6,078	6,078
Amortization and impairment**		
As at April 1, 2021	5,303	5,303
Amortization for the year	125	125
Disposals	-	-
As at March 31, 2022*	5,428	5,428
Amortization for the year	125	125
Disposals	-	-
As at March 31, 2023	5,553	5,553
Net block		
As at March 31, 2022*	650	650
As at March 31, 2023	525	525

* Refer note 1(c)

** During the 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, 2023, 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, 2023	As at March 31, 2022*
Non-current Investments		
Investments carried at cost		
A. Investments in equity shares of wholly owned subsidiaries (unquoted equity instruments)		
100 (March 31, 2022: 100) equity shares fully paid-up, no-par value, in Subex Americas Inc. [Impairment on investment ₹ 76,560 Lakhs (March 31, 2022: ₹ 76,560 Lakhs)]**	936	936
4,999,991 (March 31, 2022: 4,999,991) equity shares of ₹ 10 each fully paid-up in Subex Technologies Limited [Impairment on investment ₹ 500 Lakhs (March 31, 2022: ₹ 500 Lakhs)]	-	-
2,250,000 (March 31, 2022: Nil) equity shares of ₹ 10 each fully paid-up in Subex Account Aggregator Services Private Limited	225	-
	1,161	936
B. Investments in limited liability partnership firms (refer note 22)		
Investment in Subex Assurance LLP [Impairment on investment ₹ 16,808 Lakhs (March 31, 2022: ₹ 16,808 Lakhs)]**^	30,756	39,956
Investment in Subex Digital LLP**	1,869	1,869
	32,625	41,825

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

5. Investments (contd.)

(₹ in Lakhs)

Investments carried at fair value through other comprehensive income		
C. Investment in Privasapien Technologies Private Limited (33,352 seed compulsory convertible preference shares of ₹ 2 each,fully paid (March 31, 2022 ₹ Nil)	165	-
	165	-
Total Investments (A+B+C)	33,951	42,761
Aggregate amount of unquoted investments	1,27,819	1,36,629
Aggregate amount of impairment on investments	93,868	93,868
	33,951	42,761

* Refer note 1(c)

**As at March 31, 2023, the management has carried out the annual impairment exercise in respect of its carrying value of investment in subsidiaries and, basis valuation carried out by an external expert, has concluded that carrying value of investment in subsidiaries is appropriate considering future projections, various new initiatives, contracted backlog and current pipeline maturity.

^During the year, the Company has withdrawn ₹ 9,200 Lakhs from capital account of Subex Assurance LLP. Refer note 31.

(₹ in Lakhs)

Current Investments	As at March 31, 2023	As at March 31, 2022*
Quoted		
Investment carried at fair value through statement of profit or loss account		
Investment in quoted mutual funds	604	-
	604	-

	Nos		(₹ in Lakhs)	
Particulars	As at March 31, 2023	As at March 31, 2022*	As at March 31, 2023	As at March 31, 2022*
SBI Savings Fund Direct-Growth	8,18,381	-	308	-
SBI Overnight Fund Direct-Growth	4,000	-	146	-
SBI Liquid Fund Direct-Growth	4,260	-	150	-
	8,26,641	-	604	-
Aggregate value/amount of quoted investments			595	-
Aggregate market value of quoted investments			604	-

* Refer note 1(c)

6. Loans

Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Non-current		
Loan receivable		
Loan receivable - credit impaired		
Loans to related party (refer note 32)	1,706	1,706
	1,706	1,706
Impairment Allowance for loan receivable		
Loan Receivables - credit impaired		
Loans to related party (refer note 32)	(1,706)	(1,706)
Total	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

6. Loans (contd.)

(₹ in Lakhs)

Current		
Unsecured, considered good		
Other loans		
Loans and advances to employees	88	30
Total	88	30

* Refer note 1(c)

7 . Trade receivables

Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Unsecured, considered good		
Trade receivables from related parties (refer note 31)	8,140	5,339
Trade receivables from other than related parties	2,743	485
Unsecured, credit impaired		
Trade receivables from related parties	3,867	1,874
Trade receivables from other than related parties	838	365
Total (a)	15,588	8,063
Impairment allowance (allowance for expected credit loss)		
Receivable from related parties, credit impaired	(3,867)	(1,874)
Receivables from other than related parties, credit impaired	(838)	(365)
Total (b)	(4,705)	(2,239)
Net Trade Receivables (a-b)	10,883	5,824

Trade receivables ageing schedule

As at March 31, 2023

(₹ in Lakhs)

Particulars	Unbilled	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	227	4,401	2,547	3,261	-	-	447	10,883
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	27	1,297	521	10	2,500	4,355
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	71	279	350
Total	227	4,401	2,574	4,558	521	81	3,226	15,588
Less: Impairment allowance(Allowance for expected credit loss)								(4,705)
Net Trade Receivable								10,883

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

7 . Trade receivables (contd.)

As at March 31, 2022*

(₹ in Lakhs)

Particulars	Unbilled	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	2,767	2,333	301	-	423	-	5,824
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-		-	2,147	2,147
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	92	92
Total	-	2,767	2,333	301	-	423	2,239	8,063
Less: Impairment allowance(Allowance for expected credit loss)								(2,239)
Net Trade Receivable								5,824

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

Further, refer note 31 for the balance receivable from Subex Assurance LLP and Subex Digital LLP where certain directors of the Company are appointed as designated partners / employee.

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

* Refer note 1(c)

8. Cash and cash equivalents

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Balance with banks		
In current accounts	1,590	196
In EEFC accounts	28	16
Deposits with original maturity of less than 3 months	830	590
A	2,448	802
Other balances with banks		
Earmarked balances with banks being unpaid dividend accounts	28	28
Deposits with original maturity more than 3 months less than 12 months	2,045	25
Margin money deposits with original maturity more than 3 months less than 12 months	39	22
	2,112	75
Less: Disclosed under Other balances with banks (Current) (refer note 9)	(2,112)	(75)
B	-	-
(A+B)	2,448	802

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.

* Refer note 1(c)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

9. Other balances with banks

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Other bank balances (refer note 8)		
Earmarked balances with banks being unpaid dividend accounts**	28	28
Deposits with original maturity more than 3 months less than 12 months	2,045	25
Margin money deposits with original maturity more than 3 months less than 12 months	39	22
	2,112	75

* Refer note 1(c)

**These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities.

10. Other financial assets

Unsecured, considered good

Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Non-current		
Security deposit	647	20
Margin money deposits with remaining maturity more than 12 months	6	6
	653	26
Current		
Unbilled revenue	935	31
Share of profit in excess of drawings from Subex Assurance LLP (refer note 31)	173	979
Interest accrued but not due on bank deposits	33	2
Carried at fair value through profit or loss		
Foreign currency forward contract	6	-
	1,147	1,012

* Refer note 1(c)

11. Income tax assets (net)

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Non-current		
Advance income-tax [net of provision for taxation ₹ 1,330 Lakhs (March 31, 2022: ₹ 1030 Lakhs)]	2,941	2,903
	2,941	2,903

* Refer note 1(c)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

12. Deferred tax asset

(₹ in Lakhs)

		As at March 31, 2023	As at March 31, 2022*
Non-current			
Minimum alternative tax ('MAT') credit entitlement		561	566
Less: Provision for MAT credit^		(425)	(425)
	A	136	141
Deferred tax asset, net**	B	1,147	-
	(A+B)	1,283	141

^ Represents MAT credit entitlement of ₹ 425 Lakhs (March 31, 2022: ₹ 425 Lakhs) been provided for considering the uncertainty as regards to its utilisation

* Refer note 1(c)

**Deferred tax assets (net)

(₹ in Lakhs)

	Balance Sheet		Statement of profit & Loss	
	As at March 31, 2023	As at March 31, 2022*	As at March 31, 2023	As at March 31, 2022*
Deferred tax assets^				
Deferred tax asset recognised on carry forward losses^	1,147	-	1,147	-
Total	1,147	-	1,147	-

^ Consequent to restructuring mentioned in note 1(c), the management recognised deferred tax assets of ₹ 1,147 Lakhs, being reasonably certain that sufficient future taxable profits would be available. As at year end, the Company has reassessed availability of future taxable profits and is confident of utilisation of aforesaid deferred tax asset. In respect of remaining unused tax losses, management would reassess and recognise when it's probable that taxable profits would be available against which such tax losses can be recognised.

* Refer note 1(c)

13. Other assets

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Non-current		
Prepaid expenses	41	12
Balance with statutory/ government authorities^	267	267
Less: Provision for service tax receivable	(267)	(267)
	41	12
Current		
Balance with statutory/ government authorities	20	29
Prepaid expenses	338	34
Advance to suppliers	2	-
	360	63

^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. The Company carries a provision of ₹ 267 Lakhs considering the uncertainty as regards to its realisation.

* Refer note 1(c)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

14. Share capital

	No.	₹ in Lakhs
Authorised share capital		
Equity shares of ₹ 5 each		
As at April 1, 2021	1,17,60,80,000	58,804
Increase during the year	-	-
As at March 31, 2022	1,17,60,80,000	58,804
Increase during the year	-	-
As at March 31, 2023	1,17,60,80,000	58,804
Preference shares of ₹ 98 each		
As at April 1, 2021	2,00,000	196
Increase during the year	-	-
As at March 31, 2022	2,00,000	196
Increase during the year	-	-
As at March 31, 2023	2,00,000	196
Issued, subscribed and fully paid-up share capital		
Equity shares of ₹ 5 each^		
As at April 1, 2021	56,20,02,935	28,100
Issued during the year	-	-
As at March 31, 2022	56,20,02,935	28,100
Issued during the year	-	-
As at March 31, 2023	56,20,02,935	28,100

^ includes Nil (March 31, 2022: 243,207) shares in respect of which Global Depository Receipts of the Company are listed on London Stock Exchange. The Global depository receipt program was terminated in light of the low trading volume and the Financial Conducting Authority removed the securities from official list w.e.f. September 26, 2022.

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, 2023 and as at March 31, 2022, 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, 2023	As at March 31, 2022*
Outstanding employee stock options under below schemes granted/ available for grant (refer note 34):		
ESOP - V	1,11,10,800	1,25,33,720
	1,11,10,800	1,25,33,720

* Refer note 1(c)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

14. Share capital (contd.)

d) Number of treasury shares outstanding

	As at March 31, 2023	As at March 31, 2022*
Balance as per last financial statements	1,25,33,720	1,98,71,500
Add: Additions during the year	-	-
Less: Exercise during the year	(14,22,920)	(73,37,780)
Closing balance	1,11,10,800	1,25,33,720

* Refer note 1(c)

e) The Promoters, as defined by Companies Act 2013, do not hold any shares in the Company.

15. Other equity

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Capital reserve		
Balance as at April 01, 2022	2,776	2,776
Add: Additions during the year	-	-
Closing balance	2,776	2,776
Securities premium		
Balance as at April 01, 2022	16,558	16,444
Add: On account of exercise of stock options	26	114
Closing balance	16,584	16,558
General reserve		
Balance as at April 01, 2022	1,787	1,783
Add: On account of vested options lapsed during the year	33	4
Closing balance	1,820	1,787
Employee stock options reserve		
Balance as at April 01, 2022	267	232
Add: Share based expenses	232	137
Less: On account of exercise of stock options	(22)	(98)
Less: On account of vested options lapsed during the year	(33)	(4)
Closing balance	444	267
Surplus/ (deficit) in the statement of profit and loss		
Balance as at April 01, 2022	135	1,952
Add: (Loss)/ profit for the year	(6,876)	(447)
Less: OCI - Remeasurement loss/ (gain) on defined benefit obligations	19	(3)
Less: Dividends [refer 15(a)]	-	(1,367)
Closing balance	(6,722)	135

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

15. Other equity (contd.)

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Treasury Shares		
Balance as at April 01, 2022	(697)	(1,121)
Add: On account of exercise of stock options	82	424
Closing balance	(615)	(697)
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 34). The reserve shall be utilised in accordance with the provisions of section 52 of the Companies Act, 2013.	16,584	16,558
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.	1,820	1,787
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.	444	267
Surplus/ (deficit) in the statement of profit and loss This represents surplus/ (deficit) arising from operations of the Company.	(6,722)	135
Treasury Shares This represents own equity shares that are acquired from open market for issuance to employees under ESOP scheme.	(615)	(697)
Total other equity	14,287	20,826

* Refer note 1(c)

15(a) Distributions made and proposed

During the year ended March 31, 2023, no dividend was declared by the company for the financial year 2022-2023.

During the previous year ended March 31, 2022, the Company has paid an final dividend of ₹ 0.25/- (5%) per equity share on face value of ₹ 5/- each for the financial year 2020-2021.

16. Trade payables

Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Current		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises^	141	134
- total outstanding dues of creditors other than micro enterprises and small enterprises**	8,043	1,031
	8,184	1,165

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

16. Trade payables (contd.)

^Payable to micro enterprises and small enterprises

(₹ in Lakhs)

Description		As at March 31, 2023	As at March 31, 2022*
a)	the principal amount remaining unpaid to any supplier as at the end of accounting year;	141	134
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	-	-

Trade payable ageing schedule

As at March 31, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	<1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	101	40	-	-	-	141
Total outstanding dues other than micro enterprises and small enterprises	336	3,175	4,532	-	-	-	8,043
Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues - total outstanding dues other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	336	3,276	4,572	-	-	-	8,184

As at March 31, 2022*

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	<1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	22	112	-	-	-	134
Total outstanding dues other than micro enterprises and small enterprises	125	93	811	2	-	-	1,031
Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues - total outstanding dues other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	125	115	923	2	-	-	1,165

* Refer note 1(c)

** includes dues to related parties. Refer note 31.

"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 38"

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

17. Other financial liabilities

Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Current		
Share of Loss from Subex Digital LLP (refer note 31)	4,439	3,271
Employee related liabilities	1,186	464
Capital creditors	71	4
Unclaimed dividend	28	28
	5,724	3,767

* Refer note 1(c)

18. Other current liabilities

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Unearned revenue	405	-
Statutory dues	420	104
	825	104

* Refer note 1(c)

19. Provisions

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Non-current		
Provisions for employee benefits		
Gratuity [refer note 35(b)]	74	100
	74	100
Current		
Provisions for employee benefits		
Gratuity [refer note 35(b)]	83	34
Leave benefits	222	88
	305	122

* Refer note 1(c)

20. Income tax liabilities (net)

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Current		
Provision for tax [net of advance tax Nil (March 31, 2022: ₹ 102 Lakhs)]	-	39
Provision for foreign taxes	1	1
Provision for litigation^	102	102
	103	142

* Refer note 1(c)

^ 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 33(i) for further details.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

20. 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, 2023	As at March 31, 2022*
Tax expense:		
Provision - foreign income taxes [Refer note I]	324	-
MAT charge	-	(141)
MAT liability	-	141
Deferred tax (credit) / charge [Refer note II]	(1,147)	-
	(823)	-

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, 2023	As at March 31, 2022*
(Loss)/ Profit before tax expense	(7,699)	(447)
Applicable tax rates in India	34.94%	34.94%
Computed tax charge (A)	(2,690)	(156)
Components of tax expense:		
Provision for foreign withholding taxes (net) [Refer note I]	324	-
Deferred tax asset recognised on carry forward losses [Refer note II]	(1,147)	-
Exempt (income)/ expense - share of (profit)/ loss from LLP's	1,104	443
Brought forward loss set off	-	(332)
Deferred tax asset not recognised on income tax losses/timing differences [Refer note II]	1,586	-
Impact of disallowable (income)/expense	-	45
Total adjustments (B)	1,867	156
Total tax expense (A+B)	(823)	(0)

Notes:

I) Represents reversal/provision in respect of foreign withholding taxes deducted/ deductible by the overseas customers of the Company. Considering non utilisation of foreign withholding taxes due to tax losses incurred by the Company in the current year, no credit has been availed for such taxes. Accordingly, provision of ₹ 324 Lakhs has been created during the year ended March 31, 2023. Also includes ₹ 101 Lakhs on account of taxes paid in Kuwait on completion of assessments for the period FY 2011 to FY 2017.

II) Consequent to restructuring mentioned in note 1(c), the management recognised deferred tax assets of ₹ 1,147 Lakhs, being reasonably certain that sufficient future taxable profits would be available in the Company. As at year end, the Company has reassessed availability of future taxable profits and is confident of utilisation of aforesaid deferred tax asset. In respect of remaining unused tax losses, the Company would reassess and recognise when it's probable that taxable profits would be available against which such tax losses can be recognised.

* Refer note 1(c)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

21. Revenue from operations^

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
Sale of product	208	-
Sale of services	27,144	6,814
Other operating income	-	22
	27,352	6,836
Disaggregation of revenue:		
Revenue by offering		
Sale of products		
Sale of license	208	-
Sale of services		
Sub-contracting services (refer note 31)	19,536	2,196
Support services (refer note 31 and 42)	1,121	4,618
Implementation and customisation	1,526	-
Managed services	2,366	-
Support services	2,595	-
	27,352	6,814
Revenue by contract type		
License transferred at a point in time	208	-
Fixed price contract over a period of time	22,183	6,814
Time and material contract over a period of time	4,961	-
	27,352	6,814

*During the year ended March 31, 2023, the Company recognized revenue of ₹ 564 Lakhs arising from opening unearned revenue, gross of trade receivables of ₹ 663 Lakhs, as of April 01, 2022 (March 31, 2022 : ₹ Nil).

Refer note 30 for disaggregation of revenue by geographical segment.

* Refer note 1(c)

Remaining performance obligations

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2023, other than those contracts wherein invoicing is on time and material basis is ₹ 2,784 Lakhs (March 31, 2022: ₹ Nil). Out of the total remaining performance obligation other than contracts where invoicing is on time and material basis, the Company expects to recognize revenue of around 85% 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.

22. Share of (loss)/ profit from Limited Liability Partnerships before exceptional items (net)^

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
Share of profit/ (loss) from Subex Assurance LLP	(806)	1,353
Share of loss from Subex Digital LLP	(2,353)	(2,626)
	(3,159)	(1,273)

* Refer note 1(c)

^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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

23. Other income

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
Interest income on:		
Security deposits	24	-
Bank deposits	94	5
Income from investment in mutual funds	41	-
Insurance claim	79	-
Net gain on disposal of property, plant and equipment	2	1
Other non-operating income	2	-
	242	6

* Refer note 1(c)

24. Employee benefits expense

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
Salaries, wages and bonus	11,041	3,973
Contribution to provident and other funds (refer note 35)	427	146
Employee share based payments (refer note 34)	209	7
Gratuity expense [refer note 35(b)]	79	23
Staff welfare expenses	435	144
	12,191	4,293

* Refer note 1(c)

25. Finance cost

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
Interest expense on lease liability	199	4
Finance cost on Actuarial valuation	28	8
Interest others	3	-
	230	12

* Refer note 1(c)

26. Depreciation and amortization expense

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
Depreciation of property, plant and equipment	401	28
Depreciation on right-of-use assets	661	10
Amortization of intangible assets	125	125
	1,187	163

* Refer note 1(c)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

27. Other expenses

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
Cost of hardware, software and support charges	11	2
Sub-contract charges	125	3
Rent	486	46
Power and fuel	131	3
Repairs and maintenance	-	
Building	102	-
Others	912	115
Insurance	124	1
Communication costs	42	16
Printing and stationery	8	1
Travelling and conveyance	811	136
Rates and taxes	254	69
Advertisement and business promotion	113	38
Consultancy charges	526	213
Commission to directors	36	36
Payments to auditors [refer note 27(i)]	59	39
Marketing and support service charges (refer note 31)	10,650	913
Royalty Expense (refer note 1(c))	1,699	-
Allowance for expected credit loss (net)	2,315	-
Exchange fluctuation (gain)/loss (net)	20	(143)
Directors sitting fees (refer note 31)	62	56
Bank Charges	15	4
Donation	6	-
Miscellaneous expenses	19	-
	18,526	1,548

27(i). Payments to auditors (excluding goods and services tax):

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
As auditor		
Audit fee	55	35
Tax audit fee	-	1
In other capacity		
Other services (certification services)	1	2
Reimbursement of expenses	3	1
	59	39

* Refer note 1(c)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

28. Leases

The company has lease contracts for buildings. The leases for buildings generally have lease terms in between 1 to 5 years.

During the year ended March 31, 2023, part of the premises in Subex Assurance LLP (Subsidiary) has been transfered to Subex Limited under restructuring. Consequently, on account of the termination of lease agreement and in accordance with Ind AS 116 – 'Lease', the Subex Assurance LLP (Subsidiary) had written-off the amortized value of existing right-of-use asset of ₹ 952 Lakhs and Lease liability of ₹ 1,007 Lakhs determined till the completion of notice period and vacation of existing premises, and has recognized a net gain of ₹ 55 Lakhs as other income.

During the year, the Company entered into a new lease agreement in respect of its office premises. The Company recognised a right-of-use asset of ₹ 3,442 Lakhs (March 31, 2022: ₹ Nil) and lease liability of ₹ 3,296 Lakhs (March 31, 2022: ₹ Nil). The average incremental borrowing rate in range 5.80% to 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.

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, 2021	50	50
Additions	-	-
Disposals on termination of lease agreement	-	-
As at March 31, 2022*	50	50
Additions	3,442	3,442
Disposals	-	-
As at March 31, 2023	3,492	3,492
Accumulated Depreciation		
As at April 1, 2021	4	4
Charge for the year	10	10
Disposals on termination of lease agreement	-	-
As at March 31, 2022*	14	14
Charge for the year	661	661
Disposals	-	-
As at March 31, 2023	675	675
Net block		
As at March 31, 2022*	36	36
As at March 31, 2023	2,817	2,817

The Company incurred ₹ 486 Lakhs for the year ended March 31, 2023 (March 31, 2022: ₹ 46 Lakhs) towards expenses relating to short-term leases and leases of low-value assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

28. Leases (contd.)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
Opening balance	38	46
Additions	3,296	-
Interest on lease liabilities	199	4
Payments	(567)	(12)
Closing balance	2,966	38
Current	685	11
Non-current	2,281	27

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis:

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
Less than one year	888	12
One to five years	2,558	33
More than five years	-	-
Total	3,446	45

The following are the amounts recognised in statement of profit and loss:

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
Depreciation expense of right-of-use assets	661	10
Interest expense on lease liabilities	199	4
Expense relating to short-term leases (included in other expenses)	486	46
Total amount recognised in statement of profit and loss	1,346	60

The Company had total cash outflows for leases of ₹ 567 Lakhs for the year ended March 31, 2023 (March 31, 2022: ₹ 12 Lakhs). There are no future cash outflows relating to leases that have not yet commenced.

Cash and non-cash changes in liabilities arising from financing activities:

(₹ in Lakhs)

	As at April 1,2022	Cash Flow	Non cash changes^	As at March 31, 2023
Lease liability	38	(567)	3,495	2,966
Total	38	(567)	3,495	2,966

(₹ in Lakhs)

	As at April 1, 2021	Cash Flow	Non cash changes- Interest on lease liability	As at March 31, 2022*
Lease liability	46	(12)	4	38
Total	46	(12)	4	38

* Refer note 1(c)

^ Non-cash changes includes addition in lease liability, interest on lease liability and deletion in lease liability on account of lease modification

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

29. Earnings/ (loss) per share

Basic earnings 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, 2023	Year ended March 31, 2022*
Nominal value per equity share	5	5
(Loss)/ profit attributable to equity shareholders (₹ in Lakhs)	(6,876)	(447)
Weighted average number of equity shares (No. in Lakhs)^		
Basic	5,501	5,461
Diluted	5,572	5,548
Earning per share (₹ per share)**		
Basic	(1.25)	(0.08)
Diluted	(1.25)	(0.08)

* Refer note 1(c)

^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, 2023 are anti-dilutive (March 31, 2022: anti-dilutive) and accordingly have not 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 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 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, 2023	Year ended March 31, 2022*
Americas	2,734	373
EMEA	16,892	879
India	1,837	4,665
APAC	5,889	919
	27,352	6,836

* Refer note 1(c)

^ 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, 2023 and March 31, 2022. Revenue from its subsidiaries accounts for more than 10% of the total revenues of the Company (refer note 31).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

30. Segment reporting (contd.)

Non-current operating assets by geographical location are as follows**:

(₹ in Lakhs)

Region	As at March 31, 2023	As at March 31, 2022*
India	4,098	727
Outside India	-	-
Total non-current operating assets	4,098	727

* Refer note 1(c)

** Non-current operating assets includes Property, plant and equipment, Right-of-use assets, Other intangible assets, Balance with statutory/ government authorities and Prepaid expenses.

31. 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
Subex Account Aggregator Services Private Limited

Trust which is consolidated

Subex Employee Welfare and ESOP Benefit Trust

ii. **Related parties under Ind AS 24 and Companies Act, 2013**

Key management personnel

Anil Singhvi	Chairman, Non-Executive & Non-Independent Director
Nisha Dutt	Independent Director (upto May 01, 2023) & Chief Executive Officer (w.e.f. May 02, 2023)
Poornima Kamalaksh Prabhu	Independent Director
George Zacharias	Independent Director
Vinod Kumar Padmanabhan	Managing Director & Chief Executive Officer (upto May 01, 2023), Non-Executive & Non-Independent Director (w.e.f. May 02, 2023)
Shiva Shankar Naga Roddam	Whole-time Director (upto May 03, 2023) & Chief Operating Officer^
G V Krishnakanth	Company Secretary & Compliance Officer
Sumit Kumar	Chief Financial Officer (w.e.f January 31, 2022)
Venkatraman G S	Chief Financial Officer & Senior Vice President (upto December 10, 2021)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

31. Related party transactions (contd.)

iii. Details of the transactions with the related parties during the year ended March 31, 2023:

A. Transactions with wholly owned subsidiaries

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
Income from subcontracting and support services:		
Subex Americas Inc.	636	-
Subex (Asia Pacific) Pte. Limited	4,263	919
Subex Assurance LLP (refer note 42)	165	4,137
Subex Bangladesh Private Limited	394	-
Subex Digital LLP (refer note 42)	956	528
Subex Inc.	1,963	373
Subex Middle East (FZE)	725	857
Subex (UK) Ltd.	11,555	-
	20,657	6,814
Marketing and support service charges:		
Subex (UK) Ltd.	4,854	61
Subex Inc.	3,421	246
Subex Digital LLP	1,102	61
Subex (Asia Pacific) Pte. Limited	596	76
Subex Americas Inc.	324	-
Subex Assurance LLP	219	251
Subex Bangladesh Private Limited	116	-
Subex Middle East (FZE)	18	218
	10,650	913
Employee Stock Option expenses allocated to:		
Subex Assurance LLP	-	124
Subex Digital LLP	22	6
	22	130
Royalty expense:		
Subex Assurance LLP	1,699	-
	1,699	-
Allowance for expected credit loss		
Subex Middle East (FZE)	1,993	-
	1,993	-
Rates and taxes		
Subex Bangladesh Private Limited	108	82
	108	82
Reimbursement of expenses incurred by Subex Limited on behalf of its subsidiaries:		
Subex Americas Inc.	8	1
Subex (Asia Pacific) Pte. Limited	5	2
Subex Assurance LLP	46	180
Subex Bangladesh Private Limited	56	-
Subex Digital LLP	50	123

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

	Year ended March 31, 2023	Year ended March 31, 2022*
Subex Inc.	14	1
Subex Middle East (FZE)	307	26
Subex (UK) Limited	79	1
Subex Account Aggregator Services Private Limited	6	
Subex Technologies Limited ^	-	-
	571	334
^ Represents ₹ 12,500 (March 31, 2023) and ₹ Nil (March 31, 2022) which are presented as Nil due to rounding off.		
Reimbursement of expenses incurred by the subsidiaries on behalf of Subex Limited:		
Subex Americas Inc.	50	-
Subex (Asia Pacific) Pte. Limited	221	6
Subex Assurance LLP	85	76
Subex Bangladesh Private Limited	189	-
Subex Digital LLP	98	-
Subex Inc.	20	2
Subex Middle East (FZE)	493	18
Subex (UK) Limited	409	4
	1,565	106
Investment in Equity Shares		
Subex Account Aggregator Services Private Limited (March 31, 2022: ₹ Nil)]	225	-
	225	-
Drawings during the year from Limited Liability Partnership:		
Subex Assurance LLP (Current Account)	-	4,274
Subex Assurance LLP (Capital Account)	9,200	4,800
	9,200	9,074
Reimbursement of share of loss to Limited Liability Partnership:		
Subex Digital LLP	1,185	5,750
	1,185	5,750
Share of profit/(loss) from Limited Liability Partnerships:		
Subex Assurance LLP	(806)	1,353
Subex Digital LLP	(2,353)	(2,626)
	(3,159)	(1,273)
Consideration for the Assets and Liabilities (refer note 1(c)):		
Subex Assurance LLP	9,229	-
	9,229	-
Net liabilities transferred from (refer note 42):		
Subex Assurance LLP	-	67
Subex Digital LLP	-	13
	-	80

* Refer note 1(c)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

B. Transactions with key managerial personnel

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
Salary and perquisites#		
Vinod Kumar Padmanabhan	319	422
Shiva Shankar Roddam^	147	426
Sumit Kumar	72	17
G V Krishnakanth	49	77
Venkatraman G S	-	327
	587	1,269
Dividend paid		
Venkatraman G S	-	2
Shiva Shankar Roddam	-	1
Anil Singhvi^^	-	-
G V Krishnakanth^^^	-	-
	-	3
Director sitting fees		
Anil Singhvi	19	18
Nisha Dutt	15	14
Poornima Prabhu	17	13
George Zacharias	11	11
	62	56
Commission		
Anil Singhvi	9	11
Nisha Dutt	9	9
Poornima Prabhu	9	7
George Zacharias	9	9
	36	36

* Refer note 1(c)

The remuneration to the key managerial personnel does not include the provision/ accruals, which were made on best estimate basis, as they are determined for the Company as a whole.

^ The Board of Directors of the Company at its meeting held on February 03, 2023 approved the re-appointment of Mr. Shiva Shankar Naga Roddam as whole-time director effective February 07, 2023 subject to the shareholder's approval. The special resolution proposed before the shareholders vide postal ballot notice dated February 03, 2023 was not passed by the shareholders of the Company with requisite majority. Consequently, Mr. Shiva Shankar Nagar Roddam ceased to be whole-time director of the Company with effect from May 03, 2023 and accordingly, an amount of ₹ 1.5 Lakhs representing remuneration for the period February 07, 2023 to March 31, 2023 is recoverable from him.

^^ Represents dividend paid ₹ Nil during the year ended March 31, 2023 and ₹ 15,000 during the year ended March 31, 2022 which are presented as Nil due to rounding off.

^^^ Represents dividend paid ₹ Nil during the year ended March 31, 2022 and ₹ 21,250 during the year ended March 31, 2022 which are presented as Nil due to rounding off.

iv. Details of balances receivable from and payable to related parties are as follows:

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Balances receivable from and payable to wholly owned subsidiaries		
Trade receivables		
Subex Inc.	1,726	348
Subex UK Limited	1,600	1
Subex Digital LLP	1,539	750
Subex Bangladesh Pvt Ltd	1,314	-
Subex (Asia Pacific) Pte. Limited [Net of provision of ₹ 33 lakhs (March 31, 2022 : ₹ 33 lakhs)]	895	272

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Subex Middle East (FZE) [Net of provision of ₹ 1,993 lakhs (March 31, 2022 : ₹ Nil)]	784	906
Subex Americas Inc. [Net of provision of ₹ 1,841 lakhs (March 31, 2022 : ₹ 1,841lakhs)]	203	-
Subex Assurance LLP	79	3,062
	8,140	5,339
Other current financial assets		
Share of profit from investment in Subex Assurance LLP	173	979
	173	979
Trade payables		
Subex Americas Inc.	1,459	-
Subex (Asia Pacific) Pte. Limited	223	49
Subex Assurance LLP	1,311	431
Subex Bangladesh Pvt Ltd	377	-
Subex Digital LLP	655	-
Subex Inc.	332	88
Subex Middle East (FZE)	319	242
Subex (UK) Limited	2,810	59
	7,486	869
Commission payables (included in trade payables)		
Anil Singhvi	9	11
Nisha Dutt	9	9
Poornima Prabhu	9	7
George Zacharias	9	9
	36	36
Other current financial liabilities		
Share of loss from investment in Subex Digital LLP	4,439	3,271
	4,439	3,271
Employee related liabilities		
Vinod Kumar Padmanabhan	21	-
Sumit Kumar	16	-
Shiva Shankar Roddam	10	-
G V Krishnakanth	4	-
	51	-
Investment in Equity Shares		
Subex Americas Inc [net of impairment on investment ₹ 76,560 Lakhs (March 31, 2022: ₹ 76,560 Lakhs)]	936	936
Subex Account Aggregator Services Private Limited	225	-
	1,161	936
Investment in Limited Liability Partnership		
Subex Assurance LLP [net of impairment on investment ₹ 16,808 Lakhs (March 31, 2022: ₹ 16,808 Lakhs) and	30,756	39,956
drawings from capital account of ₹ 9,200 Lakhs (March 31, 2022: ₹ 4,800 Lakhs)]		
Subex Digital LLP	1,869	1,869
	32,625	41,825

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

v. Details of Employee stock options plans ('ESOPs') outstanding for Key Managerial Personnel's

	Year ended March 31, 2023	Year ended March 31, 2022*
Opening options	23,30,000	40,40,000
Options granted during the year	-	-
Options exercised during the year	(6,50,000)	(17,10,000)
Closing options	16,80,000	23,30,000

* Refer note 1(c)

Also, refer note 33(iii) for comfort letter given to subsidiaries.

32. 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, 2023		As at March 31, 2022	
	Outstanding Amount	Maximum balance outstanding during the year	Outstanding Amount	Maximum balance outstanding during the year
Subex Technologies Limited				
Loans and advances given	1,706	1,706	1,706	1,706
Less: Provision for loans and advances given	(1,706)	(1,706)	(1,706)	(1,706)
	-	-	-	-

33. Contingent liabilities and commitments

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Income tax demands [refer note (i)]	369	2,307
Service tax demands [refer note (ii)]	3,687	3,687
Bank guarantee (furnised to customers)	77	-

i. Income tax

The Company has recevied favourable orders from Hon'ble Karnataka High Court for FY 2010-11 and from ITAT for FY 2013-14 and FY 2014-15 therefore, contingent liabilty has been reduced to ₹ 369 lakhs. The Company is yet to receive the order giving effects (OGE) for the said assessment years. Further, the Company has filed an appeal before the Hon'ble Karnataka High Court for FY 2013-14 and the management, including it's tax experts/advisors are confident that it's position will likely be upheld on ultimate resolution and it will not have material adverse effect on the Company's financials position and results of operations. With respect to the aforesaid demands ₹ 1,776 Lakhs has been paid/refund adjusted under protest.

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.

iii. The Company has issued comfort letter to provide continued financial support to its subsidiaries viz., Subex Americas Inc, Subex Inc., Subex Middle East, Subex Bangladesh, Subex Digital LLP. (March 31, 2022: Subex Technologies Ltd., Subex Americas Inc. and Subex Digital LLP)

* Refer note 1(c)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

34. Employee stock options plans ('ESOPs')

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 1,11,10,800 and 12,533,720 treasury shares as at March 31, 2023 and March 31, 2022, respectively.

The Nomination & Remuneration Committee in their meeting held on January 31, 2022 granted 14,48,000 options under approved "Subex Employees Stock Option Scheme – 2018" to the eligible employees. The shares granted vest over a period of 1 to 3 years and can be exercised over a maximum period of 3 years from the date of vesting.

There is an extension of exercise period till June 30, 2023 for those vested options which were getting lapsed in February 2023.

Employees stock options details as on the balance sheet date are:

	2022-23		2021-22*	
	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 – V	1,14,57,628	8.86	1,98,71,500	6.75
Exercised during the year				
ESOP – V	14,22,920	6.11	73,37,780	6.00
Granted during the year				
ESOP – V	-	-	14,48,000	20.00
Forfeited and expired during the year				
ESOP – V	4,53,250	15.57	25,24,092	6.95
Options outstanding at the end of the year				
ESOP – V	95,81,458	8.95	1,14,57,628	8.86
Options exercisable at the end of the year				
ESOP – V	79,46,523	8.66	94,89,628	6.66

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 (₹)	
	2022-23	2021-22	2022-23	2021-22
ESOP – V	1.23	1.84	6.00-20.00	6.00-20.00
^ considering vesting and exercise period				

The key assumptions used in Black-Scholes model for calculating fair value of ESOP V during the year is as below:

Particulars	March 31, 2023	March 31, 2022*
Risk-free interest rate	5%-7%	5%-7%
Expected volatility of share	41%-72%	41%-72%
Expected life (years)	2-3	2-3
Dividend yield	0%-1.88%	0%-1.88%
Exercise Price	6.00-20.00	6.00-20.00
Weighted average fair value as on grant date (₹)	0.96-30.24	0.96-30.24

* Refer note 1(c)

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

35. Employee benefit plans

a) Defined contribution plan

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 ₹ 427 Lakhs (March 31, 2022: ₹ 146 Lakhs) for Provident Fund contributions.

b) Defined benefit plan

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, 2023	As at March 31, 2022*
A.	Change in defined benefit obligation		
	Obligations at beginning of the year	216	178
	Liability transfer (Refer note 42 and 43)	323	31
	Service cost	79	23
	Interest cost	33	10
	Benefits settled	(125)	(30)
	Actuarial (gain)/ loss (through OCI)	-	4
	Obligations at end of the year	526	216
B.	Change in plan assets		
	Plan assets at beginning of the year, at fair value	82	36
	Asset transfer in (refer note 1(c))	277	-
	Expected return on plan assets	24	2
	Actuarial gain (through OCI)	-	1
	Contributions	111	73
	Benefits settled	(125)	(30)
	Plan assets at the end of the year	369	82
C.	Net liability recognised in the standalone balance sheet		
	Present value of defined benefit obligation at the end of the year	(526)	(216)
	Fair value of plan assets at the end of the year	369	82
	Net liability	(157)	(134)

(₹ in Lakhs)

		Year ended March 31, 2023	Year ended March 31, 2022*
D.	Expenses recognised in the standalone statement of profit and loss:		
	Service cost	79	23
	Interest cost (net)	28	8
	Net gratuity cost	107	31
E.	Re-measurement (losses)/ gains in OCI		
	Actuarial (loss)/ gain due to financial assumption changes	(25)	(3)
	Actuarial (loss)/ gain due to experience adjustments	25	(1)
	Actuarial (loss)/ gain - return on plan assets greater than discount rate	19	1
	Total expenses recognised through OCI	19	(3)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

35. Employee benefit plans (contd.)

F.	Assumptions		
	Discount rate	7.30%	6.19%
	Expected return on plan assets	6.19%	5.79%
	Salary escalation^	6.00%	6.00%
	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, 2022: 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, 2023	As at March 31, 2022*
G.	Five years pay-outs		
	Year 1	83	34
	Year 2	77	32
	Year 3	71	30
	Year 4	71	27
	Year 5	66	24
	After 5th Year	392	141
H.	Contribution likely to be made for the next one year	83	34
	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.		

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, 2023	As at March 31, 2022*
Investment with insurer	100%	100%

J. Sensitivity analysis

(₹ in Lakhs)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022*	
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)	(11.00)	11.00	(4.30)	4.49
Effect of change in salary	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation increase/ (decrease)	21.00	(20.00)	7.57	(7.14)
Effect of change in withdrawal assumption	5% increase	5% decrease	5% increase	5% decrease
Impact on defined benefit obligation increase/ (decrease)	(5.00)	2.00	(1.84)	1.34

K. The average duration of the defined benefit plan obligation at the end of the reporting period of gratuity is 5 years (March 31, 2022: 5 years).

* Refer note 1(c)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

36. Capital management

The Company financial strategy aims to foster its strategic priorities and provide adequate capital to its businesses to grow and invest for generating sustained stakeholder value. The Company funds its operations mainly through internal accruals. The Company aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth of its businesses as a going concern.

The capital structure of the Company comprises only of equity as detailed in the Statement of Changes in Equity. The Company does not have any long-term debt obligation.

The Company is not exposed to any externally imposed capital requirements

37. Fair value hierarchy

The carrying value of financial instruments by categories is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022*
Financial assets measured at amortized cost		
Share of profit in excess of drawings from Subex Assurance LLP#	173	979
Interest accrued but not due on bank deposits#	33	2
Trade receivables#	10,883	5,824
Unbilled revenue#	935	31
Security deposits^	647	20
Loans and advances to employees#	88	30
Margin money deposits with remaining maturity more than 12 months	6	6
	12,765	6,892
Cash and cash equivalents and other balances with banks		
Balance with banks	4,493	827
Margin money deposits with original maturity more than 3 months less than 12 months	39	22
Earmarked balances with banks being unpaid dividend accounts	28	28
	4,560	877
Financial assets measured at fair value through profit or loss		
Foreign currency forward contract***	6	-
Investment in mutual funds**	604	-
	610	-
Financial assets measured at fair value through other comprehensive income		
Investment in Privasapien Technologies Private Limited^	165	-
	165	-
Financial liabilities measured at amortized cost		
Employee related liabilities#	1,186	464
Trade payables#	8,184	1,165
Capital creditors#	71	4
Share of Loss from investment in Subex Digital LLP#	4,439	3,271
Unclaimed dividend	28	28
Lease Liabilities^	2,966	38
	16,874	4,970

* Refer note 1(c)

** Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

*** Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

^ 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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

38. 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, 2023	As at March 31, 2022*
Trade receivables	10,883	5,824
Unbilled revenue	935	31
Total	11,818	5,855

The movement in credit loss allowance on customer balance is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022*
Opening balance	2,239	2,239
Add: Addition on account of asset and liability purchase (refer note 1(c))	233	-
Add/(Less): Provided/(reversal) during the year	2,326	-
Less: Bad-debts written-off	(131)	(9)
Add/(less): Translation difference	38	9
Closing balance	4,705	2,239

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, 2023 and as at March 31, 2022. Also, the Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

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, 2023	As at March 31, 2022*
Cash and cash equivalents	2,448	802
	2,448	802

* Refer note 1(c)

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, 2023					
Trade payables	-	6,145	2,039	-	8,184
Lease Liability^	-	435	453	2,558	3,446
Other financial liabilities	4,467	1,093	164	-	5,724
	4,467	7,673	2,656	2,558	17,354
As at March 31, 2022					
Trade payables	-	1,165	-	-	1,165
Lease Liability^	-	6	6	33	45
Other financial liabilities	3,271	491	5	-	3,767
	3,271	1,662	11	33	4,977

^Includes future cash outflow toward estimated interest on lease liabilities.

* Refer note 1(c)

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, 2023

(₹ in Lakhs)

Particulars	Denominated currency				Total
	USD	KWD	SGD	Others	
Financial assets					
Trade receivables	6,665	668	915	1,696	9,944
Cash and cash equivalents and other bank balances	398	182	-	114	694
Other financial assets	347	-	-	183	530
Total financial assets	7,410	850	915	1,993	11,168
Financial liabilities					
Trade payables	6,399	-	223	348	6,970
Other financial liabilities	92	-	-	-	92
Total financial liabilities	6,491	-	223	348	7,062
Net financial assets/ (liabilities)	919	850	692	1,645	4,106

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

March 31, 2022* (₹ in Lakhs)

Particulars	Denominated currency				Total
	USD	KWD	SGD	Others	
Financial assets					
Trade receivables	4,151	-	272	908	5,331
Other financial assets	22	-	-	-	22
Cash and cash equivalents and other bank balances	17	-	-	-	17
Total financial assets	4,190	-	272	908	5,370
Financial liabilities					
Trade payables	497		49	271	817
Other financial liabilities	16		-	-	16
Total financial liabilities	513	-	49	271	833
Net financial assets/ (liabilities)	3,677	-	223	637	4,537

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.

* Refer note 1(c)

Forward contracts outstanding are as below:

Currency	Foreign currency amount		Amount in ₹ lakhs	
	As at March 31, 2023	As at March 31, 2022*	As at March 31, 2023	As at March 31, 2022*
USD	15,95,000	20,85,000	1,311	1,580

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, 2022: 0.66%).

* Refer note 1(c)

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, 2023, considering losses incurred in past years, the Company does not have the obligation to incur expenses in relation to CSR.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

40 Ratio analysis and its elements

Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022^	Variance	Reasons of Variance
Current ratio	Current Assets	Current Liabilities	1.11	1.47	(24%)	
Debt- Equity Ratio*	Total Debt (Represents lease liability)	Shareholder's Equity	0.07	0.00*	0.00%	
Debt Service Coverage ratio	Earnings for debt service = Net (loss)/ profit for the year + Finance cost + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	(9.13)	(13.60)	(33%)	Primarily due to increase in losses and lease liability
Inventory Turnover Ratio	This Ratio is not applicable considering the nature of business of the Company.					
Return on Equity ratio	Net (loss)/ profit for the year	Average Shareholder's Equity	(15.06%)	(0.90%)	1573%	Primarily due to increase in losses
Trade Receivable Turnover Ratio	Revenue from operations	Average Trade Receivable	3.27	1.71	91%	Primarily due to increase in revenue from operations
Trade Payable Turnover Ratio	Other expenses	Average Trade Payables	3.96	2.03	94.96%	Primarily due to increase in other expenses and higher effeciency on working capital
Net Capital Turnover Ratio	Revenue from operations	Average working capital = Total current assets - Total current liabilties	15.06	2.74	(450%)	Primarily due to increase in revenue from operations
Net Profit ratio	Net Profit	Revenue from operations	(25.14%)	(6.54%)	284%	Primarly due to increase in the losses due to increase in other expenses
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	(17.20%)	(0.91%)	1790%	Primarly due to increase in losses
Return on Investment	Ratio relating to return on investment is not presented due to no treasury investments as at March 31, 2023 and March 31, 2022.					

^ Refer note 1(c)

*Represents 0.00078 times for the year ended March 31, 2022.

41. 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, 2023 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.

42. Effective January 1, 2021, the Company had carried out strategic re-organization and decided to centralize certain key Sales and Business support functions, to drive better efficiency of scale and overall operations. Accordingly, all such employees in sales and business support functions from other group entities in India had been transferred to the Company. During the year ended March 31, 2023 and previous year ended March 31, 2022, the common costs pertaining to sales and business support function amounting to ₹ 1,121 Lakhs and ₹ 4,618 Lakhs respectively had been recovered by the Company with an agreed mark-up from other group entities and is reflected under revenue from operations.

43. Pursuant to the Ministry of corporate affairs ("MCA") notification dated August 05, 2022 relating to maintenance of electronic books of accounts as per Rule 3 of the Companies (Accounts) rules, 2014 of of section 128 of Companies Act, 2013, the Company maintains the data in electronic mode and the applications are accessible in India all times. The Company is taking steps to ensure that backup is taken on a daily basis and stored in servers located in India.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2023

44. Other Regulatory Information

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company does not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.

(v) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) The Company have not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).

(ix) The Company has complied with the provisions of clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(x) The Company has not declared or paid any dividened during the year hence, compliance with the provisions of section 123 of the Companies Act, 2013 is not applicable.

45. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

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 15, 2023

For and on behalf of the Board of Directors of Subex Limited

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Sumit Kumar
Chief Financial Officer
Place: Bengaluru, India

Date: May 15, 2023

Nisha Dutt
Chief Executive Officer

Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

FORM AOC 1

(information in respect of each Subsidiary to be presented with amounts in ₹ Lakhs)

Sr. No.	1	2	3	4	5	6	7	8	9	10
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	Subex Accounts Aggregator Services Pvt Ltd.****
Reporting period of the subsidiary	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
Reporting currency	SGD	GBP	USD	USD	INR	AED	BDT	INR	INR	INR
Exchange rate as on the last date of relevant financial year in the case of foreign subsidiaries	61.79	101.65	82.17	82.17	1	22.37	0.77	1	1	1
Share capital/ Partners capital	3,986	41	49,806	-	500	27	0	30,928	(2,570)	225
Reserve & Surplus	(3,141)	8,080	(50,277)	(553)	(492)	(2,061)	(104)	1	-	(3)
Total assets	2,407	11,779	753	2,711	71	2,232	1,410	34,556	1,238	230
Total liabilities	1,562	3,658	1,224	3,264	63	4,266	1,514	3,627	3,808	8
Investments	-	-	-	-	-	-	-	20,691	-	-
Turnover*	5,075	17,651	984	5,969	0	769	518	1,921	2,322	0
Profit/(loss) before taxation	163	(438)	35	261	(3)	(1,301)	19	(84)	(2,353)	(4)
Profit/(loss) after taxation	117	(910)	(60)	259	(3)	(1,495)	(63)	(806)	(2,353)	(3)
Proposed dividend	-	-	-	-	-	-	-	-	-	-
% of shareholding**	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Date of acquisition/ incorporation	June 23, 2006	June 23, 2006	April 01, 2007	June 23, 2006	March 28, 2005	March 25, 2015	February 13, 2020	April 05, 2017	April 05, 2017	May 09, 2022

* Turnover includes intercompany transactions

** Including % of holding either directly or indirectly through subsidiaries

*** Represents non-operating company

**** Applied to Reserve Bank of India for non-banking finance company, yet to commence operation.

For and on behalf of the Board of Directors of Subex Limited

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Nisha Dutt
Chief Executive Officer

Place: Bengaluru, India

Sumit Kumar
Chief Financial Officer
Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

Date: May 15, 2023

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, 2023, 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, 2023, their consolidated loss 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, 2023. 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 23 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 procedures included the following: (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) 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, 2023, 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 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 external valuation specialist engaged by the management for the Revenue Management Solution ('RMS') CGU and assessed the key assumptions used; (iii) We have evaluated the competences, capabilities and objectivity of the management's expert and obtained an understanding of the scope of work and the terms of engagement. (iv) We involved valuation specialists for evaluating and testing the key assumptions and methodologies used by the management's expert in their valuation reports; (v) We performed sensitivity analysis in respect of key assumption used; (vi) We tested the arithmetical accuracy of the impairment models used; (vii) 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 (viii) We assessed the disclosures made in the Consolidated Ind AS financial statements.
Evaluation of key tax matters (as described in note 33 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 impact on 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 (herein after 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 do 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 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.

The Director's report is not made available to us at the date of this auditor's report. 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, 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 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 consolidated 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 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 consolidated Ind 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 consolidated Ind AS financial statements for the financial year ended March 31, 2023 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit of separate financial statements and the other financial information of the subsidiary companies, incorporated in India, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We 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 have been kept by the Company so far as it appears from our examination of those books except that the backup of all books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India on daily basis.

   (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 Companies incorporated in India as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors of the Holding Company and its subsidiary companies, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above.

   (g) 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 companies, incorporated in India, refer to our separate Report in "Annexure 2" to this report;

   (h) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its subsidiary Companies, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (i) 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 consolidated Ind AS financial statements – Refer Note 33 to the consolidated Ind 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, 2023;

      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 Companies incorporated in India during the year ended March 31, 2023:

      iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act

have represented to us respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries, from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) No dividend has been declared or paid during the year by the Holding Company, its subsidiaries, companies, incorporated in India.

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiary companies incorporated in India, hence reporting under this clause is not applicable.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 23213803BGXAKW7868

Place of Signature: Bengaluru, India
Date: May 15, 2022

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of Subex Limited

Statement on the matters specified in paragraph 3(xxi) of Companies (Auditor's Report) Order, 2020 ("the Order")

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 23213803BGXAKW7868

Place of Signature: Bengaluru
Date: May 15, 2023

Annexure 2 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, 2023, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its Subsidiary Companies, 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 Companies, 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 Companies 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 Companies, 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, 2023, based on the internal control over financial reporting criteria established by the Holding Company and its Subsidiary Companies considering 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: 23213803BGXAKW7868

Place of Signature: Bengaluru
Date: May 15, 2023

CONSOLIDATED BALANCE SHEET

as at March 31, 2023

(₹ in Lakhs)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	967	959
Right-of-use assets	29	3,158	1,386
Goodwill on consolidation	5	34,409	34,409
Other intangible assets	4	11	14
Financial assets			
Investments	7	165	-
Other financial assets	11	818	447
Income tax assets (net)	12	3,793	4,947
Deferred tax assets(net) (including MAT credit entitlement)	13	843	148
Other non-current assets	14	49	42
		44,213	42,352
Current assets			
Financial assets			
Loans	6	134	161
Investments	7	1,222	1,165
Trade receivables	8	9,037	9,681
Cash and cash equivalents	9	5,238	8,539
Other balances with banks	10	5,677	2,328
Other financial assets	11	4,051	7,003
Other current assets	14	790	779
		26,149	29,656
Total assets		70,362	72,008
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	28,100	28,100
Other equity	16	24,084	28,267
Total equity		52,184	56,367
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	29	2,475	998
Provisions	20	222	304
Deferred tax liabilities (net)	21	6,904	6,742
		9,601	8,044

CONSOLIDATED BALANCE SHEET (contd.)
as at March 31, 2023

(₹ in Lakhs)

	Notes	As at March 31, 2023	As at March 31, 2022
Current liabilities			
Financial liabilities			
Lease Liabilities	29	864	470
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	17	165	276
- total outstanding dues of creditors other than micro enterprises and small enterprises	17	1,097	1,396
Other financial liabilities	18	1,903	1,491
Other current liabilities	19	3,147	2,506
Provisions	20	663	830
Income tax liabilities (net)	22	738	628
		8,577	7,597
Total liabilities		18,178	15,641
Total equity and liabilities		70,362	72,008
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 15, 2023

For and on behalf of the Board of Directors of Subex Limited

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Sumit Kumar
Chief Financial Officer
Place: Bengaluru, India

Date: May 15, 2023

Nisha Dutt
Chief Executive Officer

Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

(₹ in Lakhs)

		Notes	Year ended March 31, 2023	Year ended March 31, 2022
1	Income			
	Revenue from operations	23	27,869	33,344
	Other income	24	816	1,037
	Total income		28,685	34,381
2	Expenses			
	Employee benefits expense	25	20,069	21,449
	Finance costs	26	258	194
	Depreciation and amortization expense	27	1,399	988
	Other expenses	28	10,865	8,381
	Total expenses		32,591	31,012
3	Profit/(loss) before tax expense (1-2)		(3,906)	3,369
4	Tax expense (net):			
	Current tax charge	22	89	251
	Provision for MAT credit	13	-	(141)
	Provision - foreign withholding taxes (net)	22	1,660	593
	Deferred tax (credit) / charge	22	(534)	567
	Total tax expense		1,215	1,270
5	Profit/(loss) for the year (3-4)		(5,121)	2,099
6	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		581	267
	Items that will not be reclassified subsequently to profit or loss:			
	Re-measurement loss on defined benefit plans	35	39	(64)
	Total comprehensive income, net of tax		620	203
7	Total comprehensive income for the year attributable to equity holders of the Company (5+6)		(4,501)	2,302
8	Earnings per equity share [nominal value of ₹ 5/- each (March 31, 2022 : ₹ 5)]	30		
	Basic (₹)		(0.93)	0.38
	Diluted (₹)		(0.93)	0.38
	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 15, 2023

For and on behalf of the Board of Directors of Subex Limited

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Sumit Kumar
Chief Financial Officer
Place: Bengaluru, India

Date: May 15, 2023

Nisha Dutt
Chief Executive Officer

Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2023

(₹ in Lakhs)

		Year ended March 31, 2023	Year ended March 31, 2022
(A)	Cash flow from operating activities		
	(Loss)/ profit before tax expense	(3,906)	3,369
	Adjustments to reconcile profit before tax expense to net cash flows:		
	Depreciation of property, plant and equipment and right-of-use assets	1,396	987
	Amortization of intangible assets	3	1
	Gain on disposal of property, plant and equipment (net)	(3)	-
	Interest income (including fair value changes)	(250)	(266)
	Fair value gain on financial instrument at fair value through profit or loss	-	(7)
	Net gain on sale of investment	(62)	(15)
	Finance costs (including fair value changes)	255	194
	Allowance for expected credit losses	1,991	536
	Expense on share based payment	231	137
	Gain on termination/modification of lease agreement	(55)	(12)
	Waiver of borrowings (PPP Loan and interest)	-	(584)
	Net foreign exchange differences	(407)	(165)
	Operating (loss)/ profit before working capital changes	(807)	4,175
	Working capital adjustments:		
	(Increase)/ decrease in loans	50	76
	(Increase)/ decrease in trade receivables	(328)	(27)
	(Increase)/ decrease in other financial assets	2,940	(1,006)
	(Increase)/ decrease in other assets	(14)	(185)
	Increase/ (decrease) in trade payables	(747)	329
	Increase/ (decrease) in other financial liabilities	299	(1,375)
	Increase/ (decrease) in other current liabilities	331	(485)
	Increase/ (decrease) in provisions	(293)	(34)
		1,430	1,468
	Income tax paid (including TDS, net of refund)	(505)	(2,278)
	Net cash flow from/ (used in) operating activities	925	(810)
(B)	Cash flow from investing activities		
	Purchase of property, plant and equipment	(493)	(540)
	Proceeds from sale of property, plant and equipment	4	-
	Investments in mutual fund	(10,405)	(9,672)
	Investments in equity instruments	(165)	-
	Proceeds from sale of investments in mutual fund	10,411	8,529
	Net investment in deposit account	(3,323)	(2,111)
	Interest received	190	260
	Net cash flows used in investing activities	(3,781)	(3,534)

CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)

for the year ended March 31, 2023

(₹ in Lakhs)

		Year ended March 31, 2023	Year ended March 31, 2022
(C)	Cash flow from financing activities*		
	Proceeds from exercise of ESOP	101	440
	Interest paid on lease liability	(220)	(178)
	Repayment of Lease liability	(532)	(389)
	Payment of dividends [refer note 16(a)]	-	(1,405)
	Net cash flows used in financing activities	(651)	(1,532)
(D)	Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(3,507)	(5,876)
	Net foreign exchange difference on cash and cash equivalents	206	71
	Cash and cash equivalents at the beginning of the year	8,539	14,294
(E)	Cash and cash equivalents at year end (refer note 9)	5,238	8,539

*Refer note 29 for cash and non-cash changes in liabilities arising from financing activities.

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 15, 2023

For and on behalf of the Board of Directors of Subex Limited

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Sumit Kumar
Chief Financial Officer
Place: Bengaluru, India

Date: May 15, 2023

Nisha Dutt
Chief Executive Officer

Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

A. Equity share capital (refer note 15):

	No.	₹ in Lakhs
Equity shares of ₹ 5 each, issued, subscribed and fully paid-up		
As at April 1, 2021	56,20,02,935	28,100
Issued during the year	-	-
As at March 31, 2022	56,20,02,935	28,100
Issued during the year	-	-
As at March 31, 2023	56,20,02,935	28,100

B. Other equity (refer note 16):

(₹ 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, 2021	16,444	1,783	232	20,987	(1,121)	(11,570)	26,755
Add: Profit for the year	-	-	-	2,099	-	-	2,099
Add/(less): Other comprehensive (loss)/ income	-	-	-	(64)	-	267	203
Add: Share based expenses (refer note 34)	-	-	137	-	-	-	137
Add/(less): On account of exercise of stock options	114	-	(98)	-	424	-	440
Add/(less): On account of vested options lapsed during the year	-	4	(4)	-	-	-	-
Less: Dividends [refer note 16(a)]	-	-	-	(1,367)	-	-	(1,367)
As at March 31, 2022	16,558	1,787	267	21,655	(697)	(11,303)	28,267
Add: Loss for the year	-	-	-	(5,121)	-	-	(5,121)
Add/(less): Other comprehensive (loss)/ income	-	-	-	39	-	581	620
Add: Share based expenses (refer note 34)	-	-	232	-	-	-	232
Add/(less): On account of exercise of stock options	26	-	(22)	-	82	-	86
Add/(less): On account of vested options lapsed during the year	-	33	(33)	-	-	-	-
As at March 31, 2023	16,584	1,820	444	16,573	(615)	(10,722)	24,084

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 15, 2023

For and on behalf of the Board of Directors of Subex Limited

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Sumit Kumar
Chief Financial Officer
Place: Bengaluru, India

Date: May 15, 2023

Nisha Dutt
Chief Executive Officer

Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

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.

Further, the Board of Directors of the Company in its meeting held on October 28, 2021 has approved the restructuring of the business, subject to all requisite approvals, wherein the business carried out by Subex Assurance LLP will be transferred to Subex Limited on a 'going concern' basis excluding Developed Technology and Investment in subsidiaries. The aforesaid restructuring is being carried out to achieve higher operational efficiencies upon integration and consolidation of business in the listed entity. On February 23, 2022, the shareholder of the Company approved the aforesaid restructuring through postal ballot.

These consolidated financial statements for the year ended March 31, 2023 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, 2023 are approved by the Board of Directors on May 15, 2023.

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, 2023	March 31, 2022
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
Subex Account Aggregator Services Private Limited	India	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 34].

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

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 ("the Act") 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 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, 2023.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

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 35).

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 disclosed in note 34.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

and the level of future taxable profits together with future tax planning strategies. Also refer note 2(s) and note 13, note 21 & note 22.

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.

Advance tax paid is classified as non-current assets.

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.

The following specific recognition criteria must also be met before revenue is recognised:

Revenues from licensing arrangements is recognized at a point in time 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

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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 23.

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 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

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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 amortisation 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

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.

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 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.

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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

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 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

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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 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

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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 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.

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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'.

x. Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standard) Rules as issued from time to time. On March 31, 2023 MCA amendment the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 – Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting polices rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Group's financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. Property, plant and equipment

(₹ in Lakhs)

	Computer equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Office equipment	Total
Cost						
As at April 1, 2021	2,852	38	2	293	173	3,358
Additions	283	7	-	-	14	304
Disposals	(189)	(3)	-	-	(8)	(200)
Exchange differences	10	-	-	-	-	10
As at March 31, 2022	2,956	42	2	293	179	3,472
Additions	449	5	24	69	7	554
Disposals	-	-	(2)	-	-	(2)
Exchange differences	24	-	-	-	-	24
As at March 31, 2023	3,429	47	24	362	186	4,048
Depreciation						
As at April 1, 2021	2,028	36	2	10	105	2,181
Charge for the year	448	2	-	59	21	530
Disposals	(189)	(3)	-	-	(8)	(200)
Exchange differences	2	-	-	-	-	2
As at March 31, 2022	2,289	35	2	69	118	2,513
Charge for the year	476	2	-	67	21	566
Disposals	-	-	(2)	-	-	(2)
Exchange differences	4	-	-	-	-	4
As at March 31, 2023	2,769	37	-	136	139	3,081
Net block						
As at March 31, 2022	667	7	-	224	61	959
As at March 31, 2023	660	10	24	226	47	967

4. Intangible assets

(₹ in Lakhs)

	Computer software	Total
Cost		
As at April 1, 2021	102	102
Additions	15	15
Disposals	(10)	(10)
Exchange differences	-	-
As at March 31, 2022	107	107
Additions	-	-
Disposals	-	-
Exchange differences	-	-
As at March 31, 2023	107	107

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4. Intangible assets (contd.)

(₹ in Lakhs)

	Computer software	Total
Amortization		
As at April 1, 2021	102	102
Amortization for the year	1	1
Disposals	(10)	(10)
Exchange differences	-	-
As at March 31, 2022	93	93
Amortization for the year	3	3
Disposals	-	-
Exchange differences	-	-
As at March 31, 2023	96	96
Net block		
As at March 31, 2022	14	14
As at March 31, 2023	11	11

5. Goodwill on consolidation

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Carrying value as per last financial statement	34,409	34,409
Less: Impairment of goodwill	-	-
	34,409	34,409

Below is the Cash Generating Unit ('CGU') wise break-up of goodwill:

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Revenue Management Solutions ('RMS')	33,444	33,444
Data Integrity Management ('DIM')	965	965
	34,409	34,409

Goodwill impairment testing

During the 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. As at March 31, 2023, the management has carried out the annual impairment exercise in respect of carrying value of goodwill and basis valuation carried out by an external expert and concluded that carrying value of investment in subsidiaries is appropriate considering future projections, various new initiatives, contracted backlog and current pipeline maturity.

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:

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5. Goodwill on consolidation (contd.)

	As at March 31, 2023	As at March 31, 2022
Growth rate	3% to 28%	3% to 8%
Operating margins	14% to 51%	9% to 18%
Discount rate	14.55% to 15.05%	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, 2023	As at March 31, 2022
Current		
Unsecured, considered good		
Loans to employees	134	161
Total	134	161

7. Investments

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Non current Investments		
Investment carried at fair value through other comprehensive Income		
Investment in Privasapien Technologies Private Limited	165	-
[33,352 compulsory convertible preference shares of ₹ 2 each, fully paid (March 31, 2022 : Nil)]		
	165	-
Current Investments		
Quoted		
Investment carried at fair value through profit or loss		
Investment in mutual funds	1,222	1,165
	1,222	1,165

	Nos		(₹ in Lakhs)	
Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
SBI Savings Fund Direct-Growth	8,18,381	-	308	-
SBI Overnight Fund Direct Growth	4,000	-	146	-
State bank of india	-	13,640	-	455
Axis bank mutual fund	-	6,514	-	153
SBI Liquid Fund Direct Growth	4,260	-	150	-
Nippon india liquid fund-Direct growth	5,705	10,701	314	557
Nippon india money market fund-Direct growth	8,566	-	304	-
	8,40,912	30,855	1,222	1,165
Aggregate cost of quoted investments			1,195	1,150
Aggregate market value of quoted investments			1,222	1,165

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8. Trade receivables

Unsecured, carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	9,037	9,681
Unsecured, credit impaired	3,897	1,834
Total (a)	12,934	11,515
Impairment allowance (allowance for expected credit loss)		
Trade receivable, credit impaired	(3,897)	(1,834)
Total (b)	(3,897)	(1,834)
Net Trade Receivables (a+b)	9,037	9,681

Trade receivables ageing schedule:

As at March 31, 2023

(₹ in Lakhs)

Particulars	Unbilled	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	1,299	4,471	2,190	907	40	130	-	9,037
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	27	531	1,621	573	179	2,931
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	71	895	966
Total	1,299	4,471	2,217	1,438	1,661	774	1,074	12,934
Less: Impairment allowance (allowance for expected credit loss)								(3,897)
Net Trade Receivables								9,037

As at March 31, 2022

(₹ in Lakhs)

Particulars	Unbilled	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	1,076	3,902	3,105	1,482	116	-	-	9,681
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	54	567	27	388	1,036
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	17	78	703	798
Total	1,076	3,902	3,105	1,536	700	105	1,091	11,515
Less: Impairment allowance (allowance for expected credit loss)								(1,834)
Net Trade Receivables								9,681

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During the year ended March 31, 2023, ₹ 4,588 Lakhs of unbilled revenue as of April 1, 2022 has been converted to trade receivables on billing. (During the previous year ended March 31, 2022, ₹ 3,854 Lakhs of unbilled revenue as of April 1, 2021 has been converted to trade receivables). Also, refer note 11.

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, 2023	As at March 31, 2022
Balance with banks		
In current accounts	3,800	5,394
In EEFC accounts	33	165
Deposits with original maturity less than 3 months	1,405	2,980
A	5,238	8,539
Bank balances other than cash and cash equivalents		
Earmarked balances with banks being unpaid dividend accounts	28	28
Deposits with original maturity more than 3 months less than 12 months	5,524	2,124
Margin money deposits with original maturity more than 3 months less than 12 months	125	176
	5,677	2,328
Less: Disclosed under Other balances with banks (Current) (refer note 10)	(5,677)	(2,328)
B	-	-
(A+B)	5,238	8,539

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.

10. Other balances with banks

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Current		
Other bank balances (refer note 9)		
Earmarked balances with banks being unpaid dividend accounts*	28	28
Deposits with original maturity more than 3 months less than 12 months	5,524	2,124
Margin money deposits with original maturity more than 3 months less than 12 months	125	176
	5,677	2,328

*These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities.

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11. Other financial assets

Unsecured, considered good
Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Non-current		
Security deposits	697	317
Margin money deposits with remaining maturity more than 12 months	121	130
	818	447
Current		
Carried at amortized cost		
Unbilled revenue*	3,790	6,780
Interest accrued but not due on bank deposits	69	34
Margin money deposits with remaining maturity less than 12 months	186	181
Carried at fair value through profit or loss		
Foreign currency forward contract	6	8
	4,051	7,003

*Also, refer note 8

12. Income tax assets (net)

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Non-current		
Advance income-tax [net of provision for taxation ₹ 2,916 Lakhs (March 31, 2022: ₹ 2,109 Lakhs)]	3,793	4,947
	3,793	4,947

13. Deferred tax assets (net) *

(₹ in Lakhs)

		As at March 31, 2023	As at March 31, 2022
Non-current			
Minimum alternative tax ('MAT') credit entitlement		561	566
Less: Provision for MAT credit**		(425)	(425)
	A	136	141
Deferred tax assets (net)			
Depreciation and amortization expense: Difference between tax depreciation and depreciation and amortization expense		5	7
Deferred tax asset recognised on carry forward losses^		702	-
	B	707	7
	(A+B)	843	148

* Also refer note 21 and note 22.

**Represents MAT credit entitlement of ₹ 425 Lakhs (March 31, 2022: ₹ 425 Lakhs) been provided for considering the uncertainty as regards to its utilisation.

^ Consequent to restructuring mentioned in note 1(c), the management of Subex Limited recognised deferred tax asset of ₹ 702 Lakhs, being reasonably certain that sufficient future taxable profits would be available in Subex Limited. As at year end, Subex Limited has reassessed availability of future taxable profits and is confident of utilisation of aforesaid deferred tax asset. In respect of remaining unused tax losses, Subex Limited would reassess and recognise when it's probable that taxable profits would be available against which such tax losses can be recognised.

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.

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for the year ended March 31, 2023

14. Other assets

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Non-current		
Prepaid expenses	49	42
Balance with statutory/ government authorities*	267	267
Less: Provision for service tax receivable	(267)	(267)
	49	42
Current		
Balance with statutory/ government authorities	140	68
Advance recoverable in cash or kind		
Prepaid expenses	580	593
Advance to suppliers	66	87
Expenses incurred on behalf of customers	4	31
	790	779

*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. The Company carries a provision of ₹ 267 Lakhs considering the uncertainty as regards to its realisation.

15. Equity share capital

	No.	₹ in Lakhs
Authorised share capital		
Equity shares of ₹ 5 each		
As at April 1, 2021	1,17,60,80,000	58,804
Increase during the year	-	-
As at March 31, 2022	1,17,60,80,000	58,804
Increase during the year	-	-
As at March 31, 2023	1,17,60,80,000	58,804
Preference shares of ₹ 98 each		
As at April 1, 2021	2,00,000	196
Increase during the year	-	-
As at March 31, 2022	2,00,000	196
Increase during the year	-	-
As at March 31, 2023	2,00,000	196
Issued, subscribed and fully paid-up share capital		
Equity shares of ₹ 5 each^		
As at April 1, 2021	56,20,02,935	28,100
Issued during the year	-	-
As at March 31, 2022	56,20,02,935	28,100
Issued during the year	-	-
As at March 31, 2023	56,20,02,935	28,100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

15. Share capital (contd.)

^ includes Nil (March 31, 2022: 243,207) shares in respect of which Global Depository Receipts of the Company are listed on London Stock Exchange. The Global depository receipt program was terminated in light of the low trading volume and the Financial Conducting Authority removed the securities from official list w.e.f. September 26, 2022.

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, 2023 and as at March 31, 2022, 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, 2023	As at March 31, 2022
Outstanding employee stock options under below schemes, granted/ available for grant (refer note 34):		
ESOP - V	1,11,10,800	1,25,33,720
	1,11,10,800	1,25,33,720

d) Number of treasury shares outstanding

	As at March 31, 2023	As at March 31, 2022
Balance as per last financial statements	1,25,33,720	1,98,71,500
Add: (Lapsed)/ Additions during the year		-
Less: Exercise during the year	(14,22,920)	(73,37,780)
Closing balance	1,11,10,800	1,25,33,720

e) The Promoters, as defined by Companies Act 2013, do not hold any shares in the Company.

16. Other equity

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Securities premium		
Balance as at April 01, 2022	16,558	16,444
Add: On account of exercise of share options	26	114
Closing balance	16,584	16,558
General reserve		
Balance as at April 01, 2022	1,787	1,783
Add: On account of vested options lapsed during the year	33	4
Closing balance	1,820	1,787

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

16. Other equity (contd.)

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Employee stock options reserve		
Balance as at April 01, 2022	267	232
Add: Share based expenses	232	137
Less: On account of exercise of share options	(22)	(98)
Less: On account of vested options lapsed during the year	(33)	(4)
Closing balance	444	267
Surplus/ (deficit) in the statement of profit and loss		
Balance as at April 01, 2022	21,655	20,987
Add: Profit for the year	(5,121)	2,099
Less: OCI - Re-measurement losses on defined benefit obligations	39	(64)
Less: Dividends [refer 16(a)]	-	(1,367)
Closing balance	16,573	21,655
Exchange reserve on consolidation		
Balance as at April 01, 2022	(11,303)	(11,570)
Add: Effect of foreign exchange rate variations during the year	581	267
Closing balance	(10,722)	(11,303)
Treasury Shares		
Balance as at April 01, 2022	(697)	(1,121)
Add: On account of exercise of share options	82	424
Closing Balance	(615)	(697)

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Summary of other equity:		
Securities premium Securities premium is used to record the premium on issue of shares The reserve shall be utilised in accordance with the provisions of section 52 of the Companies Act, 2013.	16,584	16,558
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.	1,820	1,787
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.	444	267
Surplus in the consolidated statement of profit and loss This represents surplus arising from operations of the Group.	16,573	21,655

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

16. Other equity (contd.)

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
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.	(10,722)	(11,303)
Treasury Shares This represents own equity shares that are acquired from open market for issuance to employees under ESOP scheme.	(615)	(697)
Total other equity	24,084	28,267

16(a) Distributions made and proposed

During the year ended March 31, 2023, no dividend was declared by the Company for the financial year 2022-2023.

During the year ended March 31, 2022, the Company has paid a final dividend of ₹ 0.25/-(5%) per equity share on face value of ₹ 5/- each for the financial year 2020-2021.

17. Trade payables

Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Current		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises*	165	276
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,097	1,396
	1,262	1,672

***Payable to micro enterprises and small enterprises**

(₹ in Lakhs)

Description		As at March 31, 2023	As at March 31, 2022
a)	the principal amount remaining unpaid to any supplier as at the end of accounting year;	165	276
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.	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

17. Trade payables (contd.)

Trade payable ageing schedule

As at March 31, 2023

(₹ in Lakhs)

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			<1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	117	48	-	-	-	165
Total outstanding dues of creditors other than micro enterprises and small enterprises	721	213	163	-	-	-	1,097
Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues - Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	721	330	211	-	-	-	1,262

As at March 31, 2022

(₹ in Lakhs)

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			<1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	148	128	-	-	-	276
Total outstanding dues of creditors other than micro enterprises and small enterprises	306	1,003	87	-	-	-	1,396
Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues - Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	306	1,151	215	-	-	-	1,672

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 39.

18. Other financial liabilities

Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Current		
Employee related liabilities	1,804	1,459
Capital creditors	71	4
Unpaid Dividend	28	28
	1,903	1,491

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

19. Other current liabilities

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Unearned revenue	2,307	1,803
Statutory dues	840	703
	3,147	2,506

20. Provisions

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Non-current		
Provisions for employee benefits		
Gratuity [refer note 35(b)]	222	304
	222	304
Current		
Provisions for employee benefits		
Gratuity [refer note 35(b)]	127	134
Leave benefits	536	696
	663	830

21. Deferred tax liabilities (net)*

(₹ in Lakhs)

		As at March 31, 2023	As at March 31, 2022
Non-current			
Deferred tax liabilities			
Tax impact of depreciation arising from intangible assets pursuant to restructuring		8,770	8,088
	A	8,770	8,088
Deferred tax assets			
Depreciation and amortization expense: Tax impact of difference between tax depreciation and depreciation and amortization expense		-	12
Provision for employee benefits and others		1,866	1,334
	B	1,866	1,346
	(A-B)	6,904	6,742

*Also, refer note 22.

22. Income tax liabilities (net)

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Provision for tax	-	84
Provision for foreign taxes	576	382
Provision for litigation*	162	162
	738	628

*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 33(i) for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

22. Income tax liabilities (net) (contd.)

Income tax expense in the consolidated statement of profit and loss consist of the following:

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Tax expense:		
Current tax charge	89	251
Provision - foreign income taxes [Refer note I]	1,660	593
Deferred tax (credit)/charge (net) [Refer note II]	(534)	426
Total tax expense	1,215	1,270

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, 2023	Year ended March 31, 2022
Profit/ (loss) before tax expense	(3,906)	3,369
Applicable tax rates in India	34.94%	34.94%
Computed tax charge (A)	(1,365)	1,177
Components of tax expense:		
Provision for foreign withholding taxes (net) [Refer note I]	1,660	593
Tax effect of differential overseas tax rates	(92)	(465)
Deferred tax asset recognised on carry forward losses [Refer note II]	(702)	-
Deferred tax asset not recognised on income tax losses/timing differences [Refer note II]	1,759	-
Others	(45)	(35)
Total adjustments (B)	2,580	93
Total tax expense (A+B)	1,215	1,270

Deferred tax relates to the following:

(₹ in Lakhs)

Particulars	Consolidated Balance Sheet		Consolidated Statement of profit and loss	
	As at March 31, 2023	As at March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation and amortization expense: Tax impact of difference between tax depreciation and depreciation and amortization expense	(5)	(16)	11	4
Tax impact of depreciation arising from intangible assets pursuant to restructuring	8,770	8,088	682	1,030
Deferred tax asset on carry forward losses available for offsetting against future taxable profits [Refer note II]	(702)	-	(702)	-
Provision for employee benefits and others	(1,866)	(1,337)	(529)	(463)
Minimum alternative tax ('MAT') credit entitlement	(136)	(141)	5	(148)
Exchange differences	-	-	(1)	3
Total	6,061	6,594	(534)	426

Notes:

I) Represents reversal/provision in respect of foreign withholding taxes deducted/ deductible by the overseas customers of the Group. Considering non utilisation of foreign withholding taxes due to tax losses incurred by the group in the current year, no credit has been availed for such taxes. Accordingly, provision of ₹ 1,559 Lakhs has been created during the year ended March 31, 2023. Also includes ₹ 101 Lakhs on account of taxes paid in Kuwait on completion of assessments for the period FY 2011 to FY 2017.

II) Consequent to restructuring mentioned in note 1(c), the management of Subex Limited recognised deferred tax asset of ₹ 702 Lakhs, being reasonably certain that sufficient future taxable profits would be available in Subex Limited. As at year end, Subex Limited has reassessed availability of future taxable profits and is confident of utilisation of aforesaid deferred tax asset. In respect of remaining unused tax losses, Subex Limited would reassess and recognise when it's probable that taxable profits would be available against which such tax losses can be recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

23. Revenue from operations*

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	1,047	1,873
Sale of services	26,822	31,361
Other operating income	-	110
	27,869	33,344
Disaggregation of revenue:		
Revenue by offering		
Sale of products		
Sale of license	1,047	1,873
Sale of services		
Implementation and customisation	7,362	10,099
Managed services	8,862	10,261
Support services	10,598	10,904
Sale of hardware	-	97
	27,869	33,234
Revenue by contract type		
License transferred at point in time	1,047	1,873
Fixed price contract over a period of time	7,362	10,099
Time and material contract over a period of time	19,460	21,262
	27,869	33,234

*During the year ended March 31, 2023, the Group recognized revenue of ₹ 3,170 Lakhs arising from opening unearned revenue, gross of trade receivables of ₹ 4,588 Lakhs, as of April 01, 2022 (March 31, 2022: ₹ 3,420 Lakhs arising from opening unearned revenue, gross of trade receivables of ₹ 4,302 Lakhs, as of April 01, 2021).

Refer note 31 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, 2023, other than those contracts wherein invoicing is on time and material basis is ₹ 5,807 Lakhs (March 31, 2022 : ₹ 10,481 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.

24. Other income

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Income from government incentive schemes (refer note 42)	-	706
Interest income on:		
Security deposits	25	12
Bank deposits	225	254
Others	56	-
Gain on termination of lease	55	-
Insurance claim	79	-
Income from investment in mutual fund	62	22
Net gain on disposal of property, plant and equipment	4	-
Other non-operating income	310	43
	816	1,037

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

25. Employee benefits expense

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages*	17,977	19,340
Contribution to provident and other funds (refer note 35)	1,200	1,314
Employee share based payments (refer note 34)	231	137
Gratuity expense [refer note 35 (b)]	109	126
Staff welfare expenses	552	532
	20,069	21,449

* Net of reversal of provision no longer required, in respect of employee incentives amounting to ₹ 344 Lakhs (March 31, 2022: ₹ 786 Lakhs).

26. Finance cost

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest		
Interest expense on lease liability	220	124
Other borrowings	-	1
Finance cost on Actuarial valuation	35	15
Interest others	3	54
	258	194

27. Depreciation and amortization expense

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment	566	530
Depreciation on right-of-use assets	830	457
Amortization of intangible assets	3	1
	1,399	988

28. Other expenses

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Cost of hardware, software and support charges	261	356
Sub-contract charges	2,261	2,491
Rent	758	639
Power and fuel	155	112
Repairs and maintenance		
Building	140	126
Others	1,246	812

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

28. Other expenses (contd.)

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Insurance	165	114
Communication costs	166	221
Printing and stationery	11	19
Traveling and conveyance	1,483	564
Rates and taxes	299	278
Advertisement and business promotion	468	428
Consultancy charges	1,254	1,214
Payments to auditors	152	156
Sales commission	11	249
Commission to directors	36	36
Allowance for expected credit loss and bad debt written-off (net of reversal)	1,991	536
Exchange fluctuation (gain)/loss (net)	(155)	(133)
Directors' sitting fees (refer note 32)	65	60
Donation	6	5
Bank Charges	77	77
Miscellaneous expenses	15	21
	10,865	8,381

28(i) Payments to auditors (excluding goods and services tax):

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Statutory auditors		
As auditor		
Audit fee	71	84
Tax audit fee	-	3
In other capacity		
Other services (certification services)	5	6
Reimbursement of expenses	4	3
	80	96
(b) Other auditors for the subsidiaries		
As auditor		
Audit fee	64	59
In other capacity		
Reimbursement of expenses	-	1
	64	60
	144	156

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

29. Leases

The company has lease contracts for buildings. The leases for buildings generally have lease terms in between 1 to 5 years.

During the year ended March 31, 2023, part of the premises in Subex Assurance LLP (Subsidiary) has been transfered to Subex Limited under restructuring. Consequently, on account of the termination of lease agreement and in accordance with Ind AS 116 – 'Lease', the group had written-off the amortized value of existing right-of-use asset of ₹ 952 Lakhs and Lease liability of ₹ 1,007 Lakhs determined till the completion of notice period and vacation of existing premises, and has recognized a net gain of ₹ 55 Lakhs as other income.

On account of entering into the new lease agreement, the group recognised a right-of-use asset of ₹ 3,526 Lakhs and lease liability of ₹ 3,380 Lakhs. The average incremental borrowing rate in range 5.80% to 8.35% has been applied to lease liabilities recognised in the balance sheet at the date of commencement of the leases.

During the year ended March 31, 2022, one of the subsidiary namely Subex Inc. has decided to shift its earlier registered office to a new premises in United States of America. Consequently, on account of the termination of lease agreement and in accordance with Ind AS 116 – 'Lease', the group had written-off the amortized value of existing right-of-use asset of ₹ 136 Lakhs and Lease liability of ₹ 148 Lakhs determined till the completion of notice period and vacation of existing premises, and has recognized a net gain of ₹ 12 Lakhs as other income.

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, 2021	2,326	2,326
Disposals during the year on termination of lease agreement	(225)	(225)
Exchange differences	26	26
As at March 31, 2022	2,127	2,127
Additions during the year	3,526	3,526
Disposals during the year on termination /modification of lease agreement	(1,312)	(1,312)
Exchange differences	28	28
As at March 31, 2023	4,369	4,369
Accumulated Depreciation		
As at April 1, 2021	364	364
Charge for the year	457	457
Disposals during the year on termination of lease agreement	(89)	(89)
Exchange differences	9	9
As at March 31, 2022	741	741
Charge for the year	830	830
Disposals during the year on termination of lease agreement	(360)	(360)
As at March 31, 2023	1,211	1,211
Net block		
As at March 31, 2022	1,386	1,386
As at March 31, 2023	3,158	3,158

During the year ended March 31, 2023, the Group has incurred ₹ 758 Lakhs (March 31, 2022 : 639 Lakhs) towards expenses relating to short-term leases and leases of low-value assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

29. Leases (contd.)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Opening	1,468	1,995
Additions	3,380	-
Interest on lease liabilities	220	124
Payments	(752)	(513)
On account of lease modification	(1,007)	(148)
Exchange difference	30	10
Closing	3,339	1,468
Current	864	470
Non-current	2,475	998

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis:

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Less than one year	1,080	469
One to five years	2,720	1,194
More than five years	-	-
Total	3,800	1,663

The following are the amounts recognised in statement of profit and loss:

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense of right-of-use assets	830	457
Interest expense on lease liabilities	220	124
Expense relating to short-term leases (included in other expenses)	758	639
Gain on termination of lease agreement	(55)	(12)
Total amount recognised in statement of profit and loss	1,753	1,208

During the year ended March 31, 2023, the Group had total cash outflows for leases of ₹ 752 Lakhs (March 31, 2022: ₹ 513 Lakhs). During the year ended the Group also had non-cash additions to right-of-use assets of ₹ 3,526 (March 31, 2022: Nil) and lease liabilities of ₹ 3,380 (March 31,2022: Nil). There are no future cash outflows relating to leases that have not yet commenced.

Cash and non-cash changes in liabilities arising from financing activities:

(₹ in Lakhs)

	As at April 1, 2022	Cash flow	Non-cash changes		As at March 31, 2023
			Other movements*	Foreign exchange movement	
Lease Liabilities	1,468	(752)	2,593	30	3,339
Total	1,468	(752)	2,593	30	3,339

* Other movements to :
(a) Lease liabilities includes interest on lease liabilities , addition and deletion in lease liability on account of lease modification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

29. Leases (contd.)

(₹ in Lakhs)

	As at April 1, 2021	Cash flow	Non-cash changes		As at March 31, 2022
			Other movements**	Foreign exchange movement	
Borrowings	584	-	(578)	(6)	-
Lease Liabilities	1,995	(513)	(24)	10	1,468
Total	2,579	(513)	(602)	4	1,468

** Other movements to :

(a) Borrowings represents waiver of borrowings (PPP Loan).

(b) Lease liabilities includes interest on lease liabilities and deletion in lease liability on account of lease modification.

30. 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 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, 2023	Year ended March 31, 2022
Nominal value per equity share ₹ 5/- each	5	5
Profit attributable to equity shareholders (₹ in Lakhs)	(5,121)	2,099
Weighted average number of equity shares (No. in Lakhs)*		
Basic	5,501	5,461
Diluted	5,572	5,548
Earnings per share (₹ per share) **		
Basic	(0.93)	0.38
Diluted	(0.93)	0.38

*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, 2023 are anti-dilutive (March 31, 2022: anti-dilutive) and accordingly have been considered for the purpose of computing dilutive EPS.

31. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

31. Segment reporting (contd.)

Segment revenue by geographical location are as follows*:

(₹ in Lakhs)

Region	Year ended March 31, 2023	Year ended March 31, 2022
Americas	4,299	5,945
EMEA	15,561	20,161
India	858	520
APAC and rest of the world	7,151	6,718
	27,869	33,344

* 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, 2023 (March 31, 2022 : Nil)

Non-current operating assets by geographical location are as follows:**

(₹ in Lakhs)

Region	As at March 31, 2023	As at March 31, 2022
India	3,715	1,920
Outside India	470	481
Unallocated ***	34,409	34,409
Total non-current operating assets	38,594	36,810

** Non-current operating assets includes Property, plant and equipment, Right-of-use assets, Other intangible assets, 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.

32. Related party transactions

i. Name of related parties and nature of relationship

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
Nisha Dutt	Independent Director (upto May 01, 2023) & Chief Executive Officer (w.e.f. May 02, 2023)
Poornima Kamalaksh Prabhu	Independent Director
George Zacharias	Independent Director
Pratima Ram	Independent Director (w.e.f. May 09, 2022) of Subex Account Aggregator Services Private Limited
Devika Sathyanarayana	Non-Executive, Non-Independent Director
Vinod Kumar Padmanabhan	Managing Director & Chief Executive Officer (upto May 01, 2023), Non-Executive & Non-Independent Director (w.e.f. May 02, 2023)
	Designated partner of Subex Assurance LLP
	Designated partner of Subex Digital LLP
Shiva Shankar Naga Roddam	Whole-time Director (upto May 03, 2023) & Chief Operating Officer#
	Designated partner of Subex Assurance LLP (w.e.f. December 10, 2021)
	Designated partner of Subex Digital LLP (w.e.f. December 10, 2021)
Sumit Agarwal	Chief Financial Officer (w.e.f. January 31, 2022)
G V Krishnakanth	Company Secretary & Compliance Officer
Venkatraman G S	Chief Financial Officer & Senior Vice President (upto December 10, 2021)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

32. Related party transactions (contd.)

ii. Details of transactions with key management personnel during the year ended March 31, 2023:

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Salary and perquisites:*		
Vinod Kumar Padmanabhan (includes remuneration from Subex Assurance LLP)	319	568
Shiva Shankar Naga Roddam (includes remuneration from Subex Assurance LLP) #	147	509
Sumit Agarwal	72	17
G V Krishnakanth	49	77
Venkatraman G S	-	327
	587	1,498
Dividend		
Venkatraman G S	-	2
Shiva Shankar Naga Roddam	-	1
Anil Singhvi^	-	-
G V Krishnakanth^^	-	-
	-	3
Director sitting fees		
Anil Singhvi	19	18
Nisha Dutt	15	14
Poornima Prabhu	17	13
George Zacharias	11	11
Pratima Ram	2	-
Devika Sathyanarayana	1	1
	65	57
Commission payable		
Anil Singhvi	9	11
Nisha Dutt	9	9
Poornima Prabhu	9	7
George Zacharias	9	9
	36	36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

32. Related party transactions (contd.)

iii. Details of balances receivable from and payable to related parties are as follows:

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Salary and perquisites:		
Vinod Kumar Padmanabhan (includes remuneration from Subex Assurance LLP)	21	-
Shiva Shankar Naga Roddam (includes remuneration from Subex Assurance LLP)	10	-
Sumit Agarwal	16	-
G V Krishnakanth	4	-
	51	-
Commission payable		
Anil Singhvi	9	11
Nisha Dutt	9	9
Poornima Prabhu	9	7
George Zacharias	9	9
	36	36

iv. Details of Employee stock options plans ('ESOPs') outstanding for Key Managerial Personnel's

	Year ended March 31, 2023	Year ended March 31, 2022
Opening options	23,30,000	40,40,000
Options granted during the year	-	-
Options exercised during the year	(6,50,000)	(17,10,000)
Closing options	16,80,000	23,30,000

* 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.

^ Represents dividend paid ₹ Nil during the year ended March 31, 2023 and ₹ 15,000 during the year ended March 31, 2022 which are presented as ₹ Nil due to rounding off.

^^ Represents dividend paid ₹ Nil during the year ended March 31, 2023 and ₹ 21,250 during the year ended March 31, 2022 which are presented as ₹ Nil due to rounding off.

The Board of Directors of Subex Limited at its meeting held on February 03, 2023 approved the re-appointment of Mr. Shiva Shankar Naga Roddam as whole-time director effective February 07, 2023 subject to the shareholder's approval. The special resolution proposed before the shareholders vide postal ballot notice dated February 03, 2023 was not passed by the shareholders of Subex Limited with requisite majority. Consequently, Mr. Shiva Shankar Nagar Roddam ceased to be whole-time director of Subex Limited with effect from May 03, 2023 and accordingly, an amount of ₹ 1.5 Lakhs representing remuneration for the period February 07, 2023 to March 31, 2023 is recoverable from him.

33. Contingent liabilities and commitments

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Income tax demands [refer note (i)]	369	6,609
Service tax demands [refer note (ii)]	3,687	3,687
Bank guarantees (furnished to customers)	419	508
Claim against the Company in the Employment Tribunal in the UK	98	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

33. Contingent liabilities and commitments (contd.)

i. Income tax

a) The Company has recevied favourable orders from Hon'ble Karnataka High Court for FY 2010-11 and from ITAT for FY 2013-14 and FY 2014-15 therefore, contingent liabilty has been reduced to ₹ 369 lakhs. The Company is yet to receive the order giving effects (OGE) for the said assessment years. Further, the Company has filed an appeal before the Hon'ble Karnataka High Court for FY 2013-14 and the management, including it's tax experts/advisors are confident that it's position will likely be upheld on ultimate resolution and it will not have material adverse effect on the Company's financials position and results of operations. With respect to the aforesaid demands ₹ 1,776 Lakhs has been paid/refund adjusted under protest.

b) One of the subsidiary, Subex Technologies Limited, has received favourable order from Hon'ble Karnataka High Court with respect to appeal filed by the Income Tax Department for AY 2008-09 relating to matter under section 201(1) of Income Tax Act,1961 quashing Notice of Demand dated 15.02.2016 and the Show Cause Notice dated 03.02.2015.

Further Subex Technologies Limited, has also received favourable order from ITAT for AY 2008-09 relating to matter under section 143(3) of the Income Tax Act, 1961.

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 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.

34. Employee stock options plans ('ESOPs')

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 administering ESOP for 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 1,11,10,800 and 12,533,720 treasury shares as at March 31, 2023 and March 31, 2022, respectively.

The Nomination & Remuneration Committee in their meeting held on January 31, 2022 granted 14,48,000 options under approved "Subex Employees Stock Option Scheme – 2018" to the eligible employees. The shares granted vest over a period of 1 to 3 years and can be exercised over a maximum period of 3 years from the date of vesting.

There is an extension of exercise period till June 30, 2023 for those vested options which were getting lapsed in February 2023.

Employees stock options details as on the balance sheet date are:

	2022-23		2021-22	
	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 – V	1,14,57,628	8.86	1,98,71,500	6.75
Exercised during the year				
ESOP – V	14,22,920	6.11	73,37,780	6.00
Granted during the year				
ESOP – V	-	-	14,48,000	20.00
Forfeited and expired during the year				
ESOP – V	4,53,250	15.57	25,24,092	6.95
Options outstanding at the end of the year				
ESOP – V	95,81,458	8.95	1,14,57,628	8.86
Options exercisable at the end of the year				
ESOP – V	79,46,523	8.66	94,89,628	6.66

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

34. 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 (₹)	
	2022-23	2021-22	2022-23	2021-22
ESOP – V	1.23	1.84	6.00-20.00	6.00-20.00

* considering vesting and exercise period

Fair value methodology

The key assumptions used in Black-Scholes model for calculating fair value of ESOP during the year is as below:

Particulars	March 31, 2023	March 31, 2022
Risk-free interest rate	5%-7%	5%-7%
Expected volatility of share	41%-72%	41%-72%
Expected life (years)	2-3	2-3
Dividend yield	0%-1.88%	0%-1.88%
Exercise Price (₹)	6.00-20.00	6.00-20.00
Weighted average fair value as on grant date (₹)	0.96-30.24	0.96-30.24

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.

35. 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 ₹ 1,196 Lakhs (March 31, 2022: ₹ 1,310 Lakhs) towards Provident Fund contribution (including administration charges) 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, 2023	As at March 31, 2022
A.	Change in defined benefit obligation		
	Obligations at beginning of the year	859	758
	Service cost	109	126
	Interest cost	45	37
	Benefits settled	(236)	(137)
	Actuarial loss (through OCI)	(21)	67
	Currency translation adjustment	19	8
	Obligations at end of the year	775	859

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

35. Employee benefit plans (contd.)

(₹ in Lakhs)

		As at March 31, 2023	As at March 31, 2022
B.	Change in plan assets		
	Plan assets at beginning of the year, at fair value	421	356
	Expected return on plan assets	28	22
	Actuarial gain (through OCI)	2	3
	Contributions	211	177
	Benefits settled	(236)	(137)
	Plan assets at the end of the year	426	421
C.	Net liability recognised in the consolidated balance sheet		
	Present value of defined benefit obligation at the end of the year	(775)	(859)
	Fair value of plan assets at the end of the year	426	421
	Net liability	(349)	(438)

(₹ in Lakhs)

		Year ended March 31, 2023	Year ended March 31, 2022
D.	Expenses recognised in the consolidated statement of profit and loss:		
	Service cost	109	126
	Interest cost (net)	35	15
	Net gratuity cost	144	141
E.	Re-measurement (losses)/ gains in OCI		
	Actuarial (loss)/ gain due to financial assumption changes	(6)	(3)
	Actuarial (loss)/ gain due to experience adjustments	27	(64)
	Actuarial (loss)/ gain - return on plan assets greater than discount rate	18	3
	Total expenses recognised through OCI	39	(64)
F.	Assumptions		
	Discount rate	4.9% - 7.36%	4.20%
	Expected return on plan assets	6.19% - 6.63%	6.15%
	Salary escalation*	4% - 7%	6.00%
	Attrition rate	18% - 20%	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, 2022: 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, 2023	As at March 31, 2022
G.	Five years pay-outs		
	Year 1	127	134
	Year 2	116	126
	Year 3	107	115
	Year 4	102	105
	Year 5	93	97
	After 5th Year	533	584
H.	Contribution likely to be made for the next one year	127	134
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%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

35. Employee benefit plans (contd.)

J. Sensitivity analysis

(₹ in Lakhs)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
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)	16	(18)	19
Effect of change in salary	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation increase/ (decrease)	30	(28)	35	(33)
Effect of change in withdrawal assumption	5% increase	5% decrease	5% increase	5% decrease
Impact on defined benefit obligation increase/ (decrease)	(6)	3	(19)	22

K. The average duration of the defined benefit plan obligation at the end of the reporting period of gratuity is 6 years (March 31, 2022: 6 years).

36. Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements:

Contribution of net assets/ (liability), Share in profit or loss/ comprehensive income in the consolidated financial statements:

As at and for the year ended March 31, 2023

(₹ 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 or (loss)		Share in total comprehensive income or (loss)	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or (loss)	Amount	As % of consolidated other comprehensive income or (loss)	Amount	As % of consolidated total comprehensive income or (loss)	Amount
Parent								
Subex Limited	51%	42,387	56%	(6,876)	3%	19	59%	(6,857)
Indian subsidiaries								
Subex Assurance LLP	38%	30,921	7%	(793)	3%	17	7%	(776)
Subex Digital LLP	(3%)	(2,582)	19%	(2,355)	-	(3)	20%	(2,358)
Subex Technologies Limited	-	5	-	(3)	-	-	-	(3)
Subex Account Aggregator Services Private Limited	-	222	-	(3)	-	-	-	(3)
Foreign subsidiaries								
Subex (Asia Pacific) Pte Ltd.	1%	845	(1%)	101	15%	90	(2%)	191
Subex (UK) Ltd.	9%	7,824	8%	(934)	110%	685	2%	(249)
Subex Americas Inc.	7%	5,623	-	(56)	(6%)	(35)	1%	(91)
Subex Inc.	(1%)	(502)	(2%)	272	(10%)	(61)	(2%)	211
Subex Middle East	(2%)	(2,034)	12%	(1,486)	(14%)	(88)	14%	(1,574)
Subex Bangladesh Pvt.Ltd	-	(141)	1%	(69)	(1%)	(4)	1%	(73)
Total	100%	82,568	100%	(12,202)	100%	620	100%	(11,582)
Adjustments arising out of consolidation		(30,384)		7,081		-		7,081
Total		52,184		(5,121)		620		(4,501)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

36. Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements: (contd.)

As at and for the year ended March 31, 2022

(₹ 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 or (loss)		Share in total comprehensive income or (loss)	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or (loss)	Amount	As % of consolidated other comprehensive income or (loss)	Amount	As % of consolidated total comprehensive income or (loss)	Amount
Parent								
Subex Limited	48%	48,926	33%	(447)	(1%)	(3)	39%	(450)
Indian subsidiaries								
Subex Assurance LLP	40%	40,893	(102%)	1,368	(17%)	(35)	(117%)	1,333
Subex Digital LLP	(1%)	(1,408)	195%	(2,618)	(5%)	(11)	231%	(2,629)
Subex Technologies Limited	-	8	-	(4)	-	-	-	(4)
Foreign subsidiaries								
Subex (Asia Pacific) Pte Ltd.	1%	653	(10%)	143	8%	17	(14%)	160
Subex (UK) Ltd.	8%	8,073	11%	(152)	140%	286	(12%)	134
Subex Americas Inc.	6%	5,713	2%	(33)	(7%)	(14)	4%	(47)
Subex Inc.	(1%)	(713)	(70%)	937	(11%)	(22)	(80%)	915
Subex Middle East	(1%)	(460)	39%	(518)	(6%)	(13)	47%	(531)
Subex Bangladesh Pvt.Ltd	-	(68)	2%	(20)	(1%)	(2)	2%	(22)
Total	100%	1,01,617	100%	(1,344)	100%	203	100%	(1,141)
Adjustments arising out of consolidation		(45,250)		3,443		-		3,443
Total		56,367		2,099		203		2,302

37. Capital management

The Group financial strategy aims to foster its strategic priorities and provide adequate capital to its businesses to grow and invest for generating sustained stakeholder value. The Group funds its operations mainly through internal accruals. The Group aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth of its businesses as a going concern. The capital structure of the Group comprises only of equity as detailed in the Statement of Changes in Equity. The Group does not have any long-term debt obligation.

The Group is not exposed to any externally imposed capital requirements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

38. Fair value hierarchy

The carrying value of financial instruments by categories is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets measured at amortized cost		
Interest accrued but not due on bank deposits*	69	34
Trade receivables*	9,037	9,681
Unbilled revenue*	3,790	6,780
Security deposits^	697	317
Loans and advances to employees*	134	161
Margin money deposits with remaining maturity more than 12 months	121	130
Margin money deposits with remaining maturity less than 12 months	186	181
	14,034	17,284
Financial assets measured at fair value through profit or loss		
Investment in mutual fund**	1,222	1,165
Foreign currency forward contract***	-	8
	1,222	1,173
Financial assets measured at fair value through other comprehensive Income		
Investment in Privasapien Technologies Private Limited^	165	-
	165	-
Cash and cash equivalents and other balances with banks		
Balance with banks	10,762	10,663
Earmarked balances with banks being unpaid dividend accounts	28	28
Margin money deposits with original maturity more than 3 months but less than 12 months	125	176
	10,915	10,867
Financial liabilities measured at amortized cost		
Employee related liabilities*	1,804	1,459
Trade payables*	1,262	1,672
Capital creditors*	71	4
Lease liabilities^	3,339	1,468
	6,476	4,603

* 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.

** Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

*** Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

^ 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.

39. 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

39. Financial risk management (contd.)

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 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, 2023	As at March 31, 2022
Trade receivables	9,037	9,681
Unbilled revenue	3,790	6,780
Total	12,827	16,461

The movement in credit loss allowance on customer balance is as follows :

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	1,834	2,088
Add/(less): Provided/(reversal) during the year	1,991	351
Less: Bad-debts written-off	(229)	(654)
Add/(less): Translation difference	301	49
Closing balance	3,897	1,834

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 Group does not have any debt outstanding as at March 31, 2023. Also, the Group's investments are primarily in fixed rate interest bearing investments. Hence, the Group is not significantly exposed to interest rate risk as at March 31, 2023.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

39. Financial risk management (contd.)

The break-up of cash and cash equivalents and deposits is as below:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	5,238	8,539
Other balances with banks	5,984	2,639
Investment in mutual fund	1,222	1,165
	12,444	12,343

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, 2023					
Trade payables	-	1,254	8	-	1,262
Lease liabilities*	-	530	550	2,720	3,800
Other financial liabilities	28	1,507	368	-	1,903
	28	3,291	926	2,720	6,965
As at March 31, 2022					
Trade payables	-	1,669	3	-	1,672
Lease liabilities*	-	236	233	1,194	1,663
Other financial liabilities	28	1,417	46	-	1,491
	28	3,322	282	1,194	4,826

*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.

March 31, 2023

(₹ in Lakhs)

Particulars		Denominated currency			Total
	USD	GBP	EUR	Others	
Financial assets					
Trade receivables	1,996	367	1,027	1,750	5,140
Cash and cash equivalents and other bank balances	378	286	101	1,394	2,159
Other financial assets	1,422	284	594	701	3,001
Total financial assets	3,796	937	1,722	3,845	10,300
Financial liabilities					
Other financial liabilities	97	47	95	162	401
Trade payable	178	56	30	163	427
Total financial liabilities	275	103	125	325	828
Net financial assets/ (liabilities)	3,521	834	1,597	3,520	9,472

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

March 31, 2022 (₹ in Lakhs)

Particulars		Denominated currency			Total
	USD	GBP	EUR	Others	
Financial assets					
Trade receivables	1,925	733	2,342	863	5,863
Cash and cash equivalents and other bank balances	341	467	240	682	1,730
Other financial assets	1,521	109	1,078	1,001	3,709
Total financial assets	3,787	1,309	3,660	2,546	11,302
Financial liabilities					
Other financial liabilities	480	88	502	236	1,306
Total financial liabilities	480	88	502	236	1,306
Net financial assets/ (liabilities)	3,307	1,221	3,158	2,310	9,996

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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
USD	15,95,000	20,85,000	1,311	1,580
GBP	-	-	-	-

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 0.34% (March 31, 2022: 0.30%).

40. 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, 2023, considering losses incurred in past years, the Company does not have the obligation to incur expenses in relation to CSR.

41. 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, 2023 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.

42. The US Federal government in the wake of COVID 19 pandemic provided support to business through Paycheck Protection Program (PPP). Subex Inc. obtained a benefit under this scheme for ₹ 600 Lakhs during May 2020. During the year ended March 31, 2022, Subex Inc. obtained complete waiver of the loan amount from Small Business Administration, United States government agency and accordingly the loan and interest accrued thereon was recognised as other income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

43. Pursuant to the Ministry of corporate affairs ("MCA") notification dated August 05, 2022 relating to maintenance of electronic books of accounts as per Rule 3 of the Companies (Accounts) rules, 2014 of of section 128 of Companies Act, 2013, the Company maintains the data in electronic mode and the applications are accessible in India all times. The Company is taking steps to ensure that backup is taken on a daily basis and stored in servers located in India.

44. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

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 15, 2023

For and on behalf of the Board of Directors of Subex Limited

Anil Singhvi
Chairman, Non- Executive & Non-Independent Director
DIN : 00239589
Place: Mumbai, India

Sumit Kumar
Chief Financial Officer
Place: Bengaluru, India

Date: May 15, 2023

Nisha Dutt
Chief Executive Officer

Place: Bengaluru, India

G V Krishnakanth
Company Secretary
Place: Bengaluru, India

"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, Bangalore, Karnataka-560103.

DATE AND VENUE OF THE 28TH ANNUAL GENERAL MEETING (AGM)

Date : September 29, 2023

Venue : Video Conference/Other Audio-Visual Means
(Deemed Venue is at the Registered Office of the Company situated at
Pritech Park - SEZ, Block-09, 4th Floor, B Wing, Sy No. 51-64/4,
ORR, Bellandur Vlg, Varthur Hobli, Bangalore- 560103)

Time : 11:00 A.M (IST)

DATES OF BOOK CLOSURE

From September 23, 2023 to September 29, 2023 (both days inclusive)

BOARD MEETINGS & FINANCIAL CALENDAR

The Company financial year begins on April 1 and ends on March 31 every year.

Calendar of Board Meetings to adopt the accounts

Financial year 2023-24	: April 01, 2023 to March 31, 2024
For quarter ending June 30, 2023	: 2nd week of August 2023
For quarter ending September 30, 2023	: 2nd week of November 2023
For quarter ending December 31, 2023	: 2nd week of February 2024
For the year ending March 31, 2024	: 4th week of May 2024

DIVIDEND

The Directors have not proposed any dividend to be paid for the financial year 2022-23.

LISTING ON STOCK EXCHANGES

Equity Shares of the Company are quoted on the National Stock Exchange of India Limited (NSE) since September 5, 2003 and on the BSE Limited (BSE) since July 31, 2000. The Company has paid listing fees for the financial year(s) 2022-23 and 2023-24 in accordance with the provisions of the SEBI (LODR) Regulations, 2015.

2,43,207 Global Depositary Receipts (GDRs) of the Company are listed on the Professional Securities Market of London Stock Exchange. The Board of Directors of the Company on May 30, 2022 passed a resolution approving the termination of the GDR program in light of the low trading volume of the Global Depository Receipts, and the outstanding equity shares underlying the GDRs not constituting more than 0.04% of the Company's issued and paid-up equity shares as of March 31, 2022. Consequently, GDRs were de-listed from the Professional Securities Market of London Stock Exchange effective from September 26, 2022

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- 400051	SUBEXLTD
BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	532348

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 1, 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 financial year 2022-23 and 2023-24 to NSDL and CDSL on the basis of the number of beneficial accounts maintained by them as on March 31, 2022 and March 31, 2023 respectively.

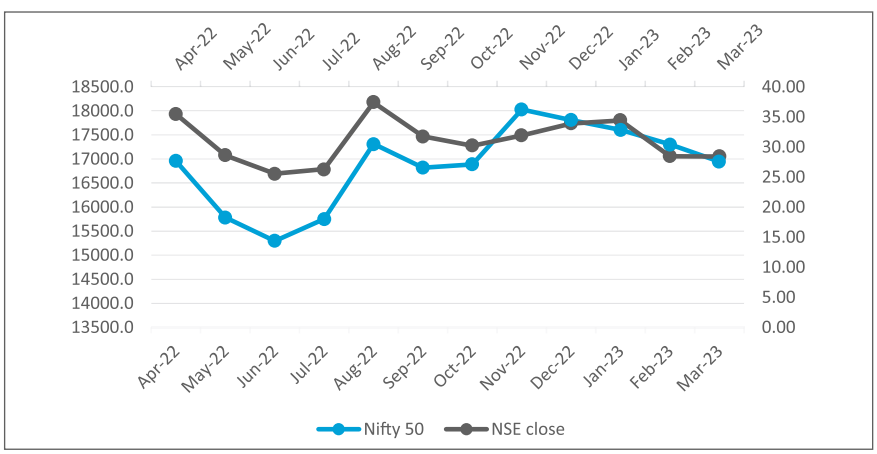
STOCK MARKET DATA RELATING TO EQUITY SHARES LISTED IN INDIA

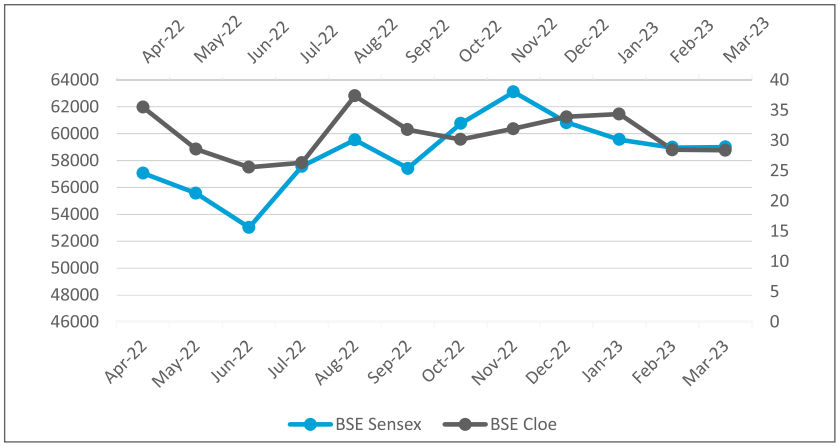
Monthly high and low quotes during each month in the financial year 2022-23 as well as the volume of shares traded on NSE and BSE are as under:

Month	NSE			BSE		
	High Price	Low Price	Number of shares traded	High Price	Low Price	Number of shares traded
Apr-22	43.10	31.15	1268.27	43.10	32.20	257.70
May-22	35.10	27.25	567.68	35.15	27.20	164.01
Jun-22	30.60	18.60	856.75	30.50	18.70	194.00
Jul-22	28.70	23.60	607.66	28.70	23.60	125.13
Aug-22	48.25	26.30	2543.16	48.25	26.30	555.14
Sep-22	38.20	30.95	643.79	38.10	30.95	122.47
Oct-22	34.00	29.75	386.70	34.00	29.75	76.92
Nov-22	33.20	28.30	705.25	33.20	28.70	154.72
Dec-22	36.00	30.70	1614.07	35.90	30.75	342.19
Jan-23	39.10	33.50	1239.64	39.10	33.50	229.70
Feb-23	35.05	28.20	415.55	35.05	28.20	77.67
Mar-23	30.35	25.00	443.07	30.30	25.00	110.75

SUBEX LIMITED SHARE PRICE VERSUS NSE S&P CNX NIFTY AND SENSEX (* Closing indices)

Month	BSE Sensex *	Nifty 50
Apr-22	57060.87	16953.95
May-22	55566.41	15782.15
Jun-22	53018.94	15293.50
Jul-22	57570.25	15752.05
Aug-22	59537.07	17312.90
Sep-22	57426.92	16818.10
Oct-22	60746.59	16887.35
Nov-22	63099.65	18028.20
Dec-22	60840.74	17806.80
Jan-23	59549.90	17604.35
Feb-23	58962.12	17303.95
Mar-23	58991.52	16945.05





CREDIT RATING

As per the CRISIL's letter dated October 19, 2022, the Company's credit rating is CCR BBB+/Negative.

Rating History is as mentioned below:

Instrument Type	Current Rating/Outlook	Historical Rating Outlook		
	Rating	September 03, 2021	September 04, 2020	August 07, 2019
Issuer Rating	CCR BBB+/Negative	CCR A - /Stable	IND A - /Positive	IND A - /Stable

Based on the request of the Company vide its letter dated March 28, 2023, requesting CRISIL Ratings to withdraw the outstanding Corporate Credit Rating of Subex Limited, CRISIL vide its letter ref no. RL/GDS21072/317608/Corporate Credit Rating/0423/57907/96327563 dated April 21, 2023, has withdrawn the "CCR BBB+Negative" (pronounced as CCR triple B plus rating with Negative outlook) rating assigned to the Company.

SHAREHOLDING PATTERN

Distribution of Shareholding:

No. of Equity shares held	As on March 31, 2023		As on March 31, 2022	
	No. of share holders	% to total share holders	No. of share holders	% to total share holders
1-5000	3,12,615	85.12	3,13,967	85.12
5001- 10000	24,178	6.58	23,928	6.49
10001- 20000	13,865	3.78	13,653	3.70
20001- 30000	6,135	1.67	6,367	1.73
30001- 40000	2,316	0.63	2,291	0.62
40001- 50000	2,435	0.66	2,471	0.67
50001- 100000	2,978	0.81	3,150	0.85
100001& Above	2,741	0.75	3,045	0.83
Total	3,67,263	100	3,68,872	100

Categories of Shareholders:

Categories of Shareholders	No. of Shares of face value of ₹ 5 each	% of holding
Promoter & Promoter group	Nil	Nil
Public	55,08,92,135	98.02
Non-Promoter, Non-Public *	1,11,10,800	1.98
Total	56,20,02,935	100

*Includes shares held by the Subex Employee Welfare and ESOP Benefit Trust

REGISTRAR AND SHARE TRANSFER AGENTS (RTA) AND SHARE TRANSFER SYSTEM

KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) are the Registrar and Share Transfer Agent of the Company having its registered office at Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032.

A. **Process for Transfer of Shares:**

According to SEBI (LODR) Regulations, 2015, no shares can be transferred unless they are held in dematerialized mode. Members holding shares in physical form are therefore requested to convert their holdings into dematerialized mode to avoid loss of shares and fraudulent transactions and avail better investor servicing. Accordingly, only valid transmission or transposition cases may be processed by the RTA of the Company, subject to compliance with the guidelines prescribed by SEBI.

The Board has delegated the authority for approving transmissions or transposition of shares etc. to the Stakeholders Relationship Committee. The decisions of the Stakeholders Relationship Committee are placed before the Board at the subsequent Board Meeting.

Shares in physical form for transfer/transmission/transposition should be lodged with the office of the Company's Registrar & Share Transfer Agent, M/s. KFin Technologies Limited, at the addresses given above or at the Registered Office of the Company. The above cases are processed if technically found to be in order and complete in all respects.

B. **Share transfers and other communication regarding Share certificates, updation of records, e-mail id's, etc. may be addressed to:**

KFin Technologies Limited,
Selenium Building, Tower-B,
Plot No- 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Telangana - 500032
Tel Nos. +91 40 6716 2222
E-mail: einward.ris@kfintech.com
Website: https://www.kfintech.com/

SHARES HELD IN PHYSICAL AND DEMATERIALISED FORM

As on March 31, 2023, 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

There are no outstanding convertible instruments in the company.

LOCATIONS

- Westminster, 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 RTA 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, 2022 to March 31, 2023 are as stated below. Additionally, the Company has attended to all the investor grievances/correspondence received through E-mails or telephone on a timely manner.

Sl. No	Nature of Complaints	Received	Closed
1	Non receipt of Securities	Nil	Nil
2	Non Receipt of Annual Reports	12	12
3	Request for Correction / Duplicate / Revalidation of Dividend Warrant	3	3
4	Investors complaints through Stock Exchanges	Nil	Nil
4	Investors complaints through SEBI	4	4
5	Non Receipt of Dividend Warrant	17	17
6	Compliant regarding Demat / Remat	Nil	Nil
	Total	36	36

ADDRESS FOR CORRESPONDENCE

For any queries, please write to:

Mr. G V Krishnakanth
Company Secretary,
Subex Limited, Pritech Park – SEZ, Block-09,
4th Floor, B Wing, Survey No. 51 to 64/4,
Outer Ring Road, Bellandur Village,
Varthur Hobli, Bangalore, Karnataka-560103. 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.

NOTES

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.
1499 W 120th Ave,
Suite 210 Westminster,
CO 80234, 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. 978, Manotick, Ontario
Canada, K4M1A8

Bangladesh
Subex Bangladesh Private Limited
Wakil Tower, Ta-131 (8th Floor)
Gulshan Badda Link Road,
Gulshan
Dhaka-1212, Bangladesh.