



SHIFTING GEARS

ACCELERATING INTO THE FUTURE WITH
AI-DRIVEN CONNECTED EXPERIENCES

Annual Report 2023 - 2024 of
Subex Limited - A Telecom AI Company

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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Shifting Gears

Accelerating into the future with AI-driven Connected Experiences

The telecommunications industry is undergoing a seismic shift, with AI at the heart of transforming how people connect and experience the world. At Subex, we recognize this, and this year marks a pivotal point in our journey. We're Shifting Gears, accelerating our commitment to AI, and leading the charge in creating a future where telcos deliver seamless, intelligent, and personalized connected experiences.

This year's report charts our course as we leverage the full spectrum of AI, including cutting-edge advancements in Generative AI. Generative AI unlocks entirely new possibilities, allowing us to create data-driven simulations, personalize experiences for CSP customers, and even automate the development of future solutions.

This isn't just about incremental change; it's about a fundamental shift in how we empower Communication Service Providers (CSPs) to navigate the complexities of the modern landscape. With AI at the core, we're building solutions that deliver unparalleled insights, automate critical processes, and unlock new levels of efficiency and growth for our customers.



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**Message
 from the
 Chairman**

Leading the charge in an AI-first telecom future

Dear Shareholders,

I have been on the Board of Subex for the last 12 years. Over this period, I have witnessed many periods of rapid growth and also market corrections in the telecom sector. Twelve years is a long time, especially when new technologies reshape industries in a matter of months.

The telecom industry hasn't been immune to this technology-driven transformation. But it is only now that the industry is being reconstructed by technology from the inside out. And this is the first time that I have seen the industry so excited about a particular technology – namely, AI. This excitement is even more promising against the backdrop of the industry's financial performance.

Telco revenues took a dive last year, and operators across the globe have been judicious in spending on new technology and managing their inventory. While some Tier-1 vendors have logged 4-5% annual growth, some of the top players have also experienced an 11-14% decline. However, most vendors have achieved a 1-3% growth in the current year, indicating an optimistic trajectory ahead.

By now, telco leaders have figured out the new recipe for achieving growth in the developed markets: data-driven solutions, and capitalising on expanding demand across the enterprise segment. Tier-1 operators have led the charge in exploiting these growth avenues with the use of digital technology. Cloud and AI have been the anchors of these success stories, driving significant growth and productivity enhancements. Now, even smaller players are following suit in embracing these growth drivers.

Against this backdrop, Subex is perfectly positioned to help telcos realise the transformative potential of these formidable tools. Your company is investing in cutting-edge technologies like cloud, AI, and generative AI, and are committed to bringing innovations to telcos through our product portfolio. This past year, your company has made key use cases of AI available to their customers. These include market-leading use cases of AI in customer experience and fraud prevention.

This market of expanding opportunities, coupled with excellent leadership has set Subex on the path to accelerated growth. This year, your company has performed exceptionally well, achieving double-digit growth amidst a sceptical market. With 11.1% YoY growth, this has been the best year for Subex in recent times. This number becomes particularly impressive when you view it in comparison to the growth rate of other vendors in the industry, which is in the range of 2-5%, with some even reporting double digit decline. I am confident about the company's commitment to innovation, and our ability to deliver business value to telcos in a period of digitally-powered growth.

I see an exhilarating journey ahead for Subex. For you, the shareholders, your company is a unique opportunity in the Indian market to stay ahead of the technology curve in strategic areas like AI, GenAI, and cloud. As we continue this journey of growth, I want to reiterate our unwavering dedication to the initiatives.

We want to do right by you. Your continued faith in our vision propels us forward as we work to reinforce Subex's position as a vanguard in the global telecom industry. I express my heartfelt gratitude for your enduring trust and support in the company. I eagerly anticipate our mutual progress on this remarkable journey, as we explore new horizons and pioneer the future contours of the telecom industry.

Together, with an unwavering focus on innovation, a leadership committed to excellence, and the transformative power of AI, Subex is poised to succeed in this exciting future of the telecom industry.

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



A conversation with

**NISHA
DUTT**

Managing Director &
Chief Executive Officer

Enabling Connected Experiences Through AI-First Solutions

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Dear Valued Shareholders,

As we reflect on the past year, I am excited to share with you the transformative journey our company has undertaken in the rapidly evolving telecommunications landscape. The convergence of artificial intelligence (AI), enterprise solutions, and emerging fraud challenges has redefined our industry, presenting both unprecedented opportunities and complex challenges. I am proud to report that our company has not only adapted to these changes but has positioned itself at the forefront of this technological revolution.

AI, Enterprise & New Age Fraud Reshaping the Telco Industry

The telecommunications industry is undergoing a profound transformation, driven by the adoption of cutting-edge technologies such as artificial intelligence (AI) and generative AI. What was once a theoretical concept is now becoming a practical reality for telcos, with real-world use cases emerging rapidly.

Recent requests for proposals (RFPs) and customer interactions clearly indicate that telecommunications companies are actively seeking to leverage AI to create business value. The focus is on improving performance, increasing efficiency, and enhancing customer experience.

Artificial intelligence (AI) has become a cornerstone of the telecommunications sector, driving innovation in three key areas. Firstly, AI is revolutionizing customer experience enhancement, extending beyond conventional network metrics to include streamlined onboarding, automated billing, and proactive retention strategies. Secondly, as telcos embrace new business models and there is democratization of AI, novel fraud types are on the rise. The industry is responding with increased adoption of AI-based fraud prevention solutions, a trend reflected in growing RFP demands. Lastly, AI is being

harnessed to optimize network operations, boosting efficiency and performance. These advancements underscore AI's pivotal role in shaping the future of telecommunications.

In addition, the enterprise sector presents a substantial growth opportunity for telecommunications companies. Recognizing this, we have proactively adapted our offerings over the past year, making strategic investments to establish ourselves as industry leaders in addressing a broad spectrum of enterprise needs, customer experience enhancement and fraud prevention.

Subex – Our Vision of creating connected experiences

Subex is at the forefront of the ongoing transformation in the telecommunications industry, driven by our vision of creating connected experiences. The exponential growth of data in the telco sector is fueling a surge in diverse experiences, opening up vast possibilities for AI applications.

I envision a future where our customers are empowered by AI agents, co-creating content in immersive virtual environments. Traditional phones may evolve into robotic companions, and communication will shift from personalization towards self-generation.

To prepare for this transformation, we at Subex are focused on enabling connected experiences that are not only personal and seamless but also secure, intelligent, and empowering. Customer experience stands out as a prime example of the innovative use cases within this connected experiences framework.

Telcos possess a treasure trove of customer data—a valuable enterprise asset. In my conversations with industry leaders, they frequently inquire about how to leverage this data to generate customer value. Our vision at Subex resonates with their evolving needs, and we're committed to helping

Our path forward is clear: we will relentlessly pursue topline growth, expand our portfolio of offerings, and strengthen our customer relationships as we evolve into a true Telco AI company

them unlock the full potential of their data to deliver superior customer experiences.

AI and Cloud: The Twin Engines Powering the Telco Revolution

The telecommunications industry is at a transformative crossroads, driven by the synergy of AI and cloud computing. Telcos are rapidly evolving into AI-native entities, integrating artificial intelligence as a core business component across their operations to address complex challenges.

In my interactions with customers, I've observed a growing adoption of AI solutions to boost employee productivity in areas like code development, content creation, and workflow management. The rise of AI agent architectures, driven by Large Language Models (LLMs), is even hinting at a future where AI could potentially replace traditional software applications.

Concurrently, telcos are embracing cloud transformation, particularly in network operations and billing systems. This shift is redefining telcos from hardware-centric companies to agile, resilient, and cost-efficient software and AI-driven organizations. Industry forecasts indicate that by 2025, nearly a third of Tier 1 telcos will rely on hyperscale cloud providers for their cloud infrastructure needs. This cloud-AI convergence is reshaping telcos' internal structures and customer interactions. We're

witnessing the rise of virtual assistants, hyper-personalized customer experiences, and predictive behavior analytics. These advancements are revolutionizing connected experiences, enabling telcos to offer innovative services, adapt quickly to market dynamics, and deliver personalized solutions at scale.

The AI and cloud revolution in telecommunications extends beyond technological upgrades; it's a comprehensive reimagining of telco business models. This transformation is steering telcos towards a more customer-centric, data-driven, and adaptable future. As this evolution progresses, telcos are poised to play a pivotal role in shaping the landscape of digital interactions and connected experiences.

Laser-Focused Execution: Driving Subex's Transformation

My focus remains laser-sharp on seizing the growth opportunities before us. I've taken decisive action to enhance our offerings and product roadmaps, ensuring we deliver maximum value to our clients. This includes integrating generative AI into our products, such as expanding Revenue Assurance with AI-powered contract assurance and deploying AI agents to effectively combat fraud.

To ensure we remain at the forefront of technological innovation, I'm committed to leveraging the latest technological advancements across our product portfolio. This encompasses

implementing generative AI, prioritizing AI integration, efficiently managing unstructured data, and leveraging the power of cloud computing. We have also successfully listed Hypersense on the Google cloud and aligned our offerings to the growing telco enterprise segment through strategic partnerships.

On the talent front, I'm dedicated to retaining and nurturing our key talent in a competitive market. I've also revamped key leadership positions and emphasized the importance of strong mid-level management.

As CEO, my core responsibility is value-creating capital allocation. I've revised our strategy with a renewed focus on the telco sector, maintaining investment discipline, and directing resources towards next-generation initiatives. This includes making strategic build-or-buy decisions and reimagining our go-to-market approaches.

With a highly skilled workforce, I'm committed to maximizing productivity to meet customer deadlines.

Reflecting on the Year: A Return to Decadal High Growth and Profitability

This year has been a pivotal one. When I took the helm, my mission was clear: to set Subex on a growth trajectory and transform it into a Telco AI-First company. It was a demanding task, as we were in the midst of a difficult period when I arrived. We strategically chose our priorities, focusing on quarter-over-quarter growth. While we've made substantial progress, there are still many challenges ahead. However, I'm confident in our direction and in the resilience and competence of our team and leadership to execute our vision.

I'm pleased to report that our efforts have yielded tangible results. We've achieved an 11.1% year-over-year growth, marking our highest growth rate in the last decade. This level of growth was last seen when the company's founders were at the helm, underscoring the significance of this achievement. Furthermore, we've maintained

consistent quarter-over-quarter growth, establishing a positive trend in our growth journey. Our client base has expanded, with the addition of approximately 10 new logos this year, including AI-focused clients. This not only diversifies our revenue streams but also validates our strategic direction in the AI space.

Importantly, we've renewed our focus on profitability. Our EBITDA turned positive in Q3 and Q4, signaling a return to financial health. This turnaround reinforces my confidence in our vision of connected experiences and AI-driven solutions.

These achievements - from record growth to new client acquisitions and improved profitability - affirm that we are on the right track. While we acknowledge the work that lies ahead, I'm excited about our future prospects. Our success this year has laid a solid foundation for continued growth and innovation in the rapidly evolving telecommunications and AI landscape.

As we move forward, we remain committed to our transformation journey, leveraging our strengths in AI and connected experiences to drive value for our clients and shareholders. The challenges we've overcome and the milestones we've achieved this year have only strengthened my belief in our strategy and our team's ability to execute it.

Embracing a Transformative Journey: Charting a Path to Growth and Profitability

As we embark on FY 2024-25, I am energized by the transformative journey ahead. Our path forward is clear: we will relentlessly pursue topline growth, expand our portfolio of offerings, and strengthen our customer relationships as we evolve into a true Telco AI company. This transformation is not a sprint but a marathon, and I am committed to leading us through this exciting period of change and opportunity.

Our strategy for the coming year is

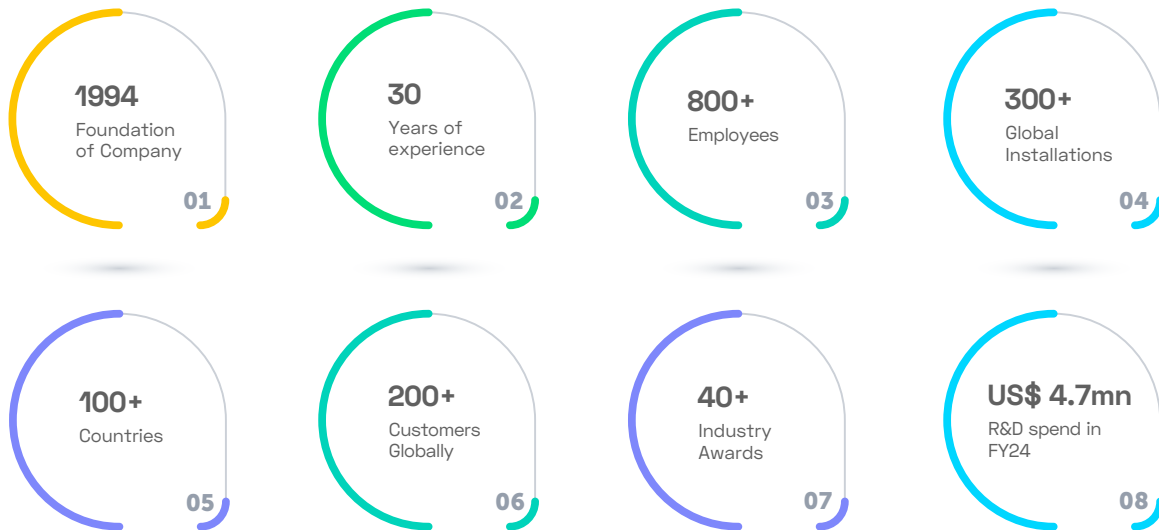
multifaceted. We will maintain our focus on sustaining positive EBITDA while simultaneously driving growth, enhancing operational efficiency, and nurturing our talent pool. These pillars will form the foundation of our continued success and evolution. I want to express my heartfelt gratitude to our shareholders and board members for your unwavering support and trust. Your confidence in our vision has been instrumental in our progress thus far and will continue to be crucial as we navigate the challenges and opportunities that lie ahead.

The future before us is truly exhilarating. We stand at the precipice of a technological revolution that is reshaping our world in unprecedented ways. This journey of transformation towards sustained growth and profitability is one that I approach with excitement and determination. The road ahead may be long, but I am confident in our strategy, our team, and our collective ability to realize the immense potential that lies before us. Together, we will continue to push the boundaries of what's possible in the Telco AI space, shaping the future of our industry and delivering exceptional value to all our stakeholders. I can't wait to see what the future holds.

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QUICK FACTS

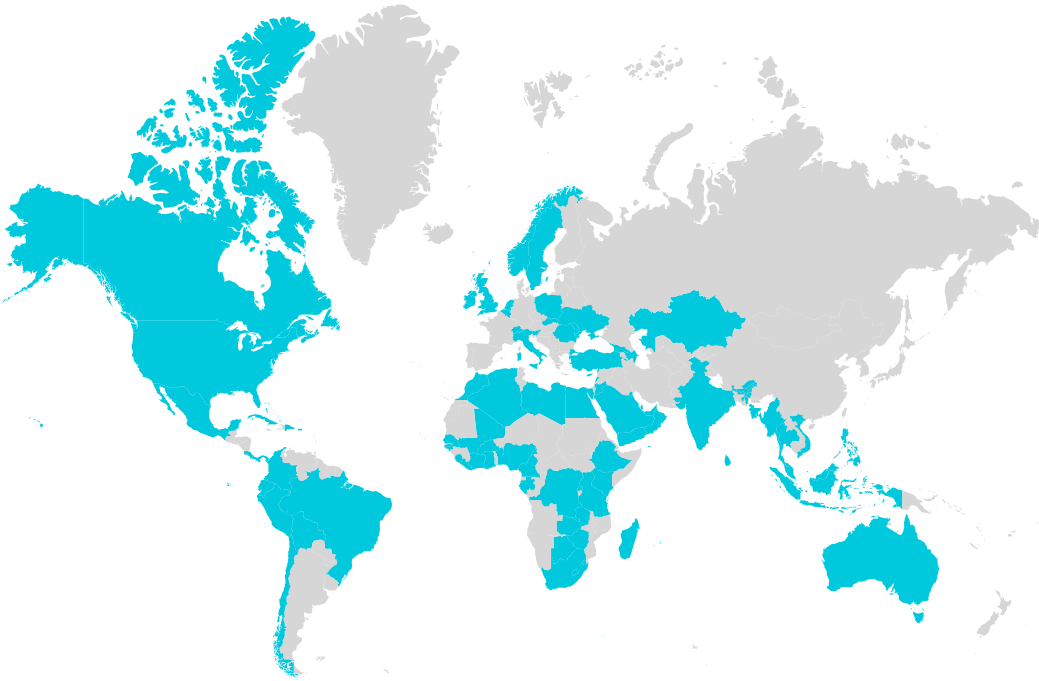


INVESTMENT HIGHLIGHTS

- 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
- Focusing heavily in newer areas like Generative AI
- Passionate and committed team led by Nisha Dutt, MD & CEO 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 800+ 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 100+ countries



3

Innovation

Our commitment to cutting-edge AI research and development ensures we remain at the forefront of industry trends and deliver innovative solutions for our clients



4

Partners & Suppliers

Our partners & suppliers also form a core of our ecosystem





OUR BUSINESS AT GLANCE

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In the rapidly evolving digital landscape, Subex is at the forefront of the telecommunications revolution. As a trusted partner to telecom operators worldwide, we deliver innovative solutions that power the connected world.

At Subex, we recognize the transformative potential of artificial intelligence (AI). We are integrating cutting-edge AI, including Generative AI, across our product portfolio to empower our clients with enhanced decision-making, predictive analytics, and automated processes. These AI-driven solutions are setting new industry standards for efficiency and innovation.

With decades of experience working with telecom operators, we possess deep industry knowledge and a proven track record of anticipating market trends. This expertise allows us to deliver pioneering solutions that address evolving challenges and drive growth for our clients.

Our comprehensive suite of AI-powered solutions spans critical areas for telecom operators, including fraud management, revenue assurance, partner ecosystem management, and network analytics. This suite comprehensively covers Revenue Upliftment, Productivity Upliftment, and Customer Experience Upliftment. Our intelligent systems not only optimize operations but also provide actionable insights that enable data-driven decisions and competitive advantage.

Looking ahead, we are committed to leveraging the latest technological advancements across our product portfolio. This includes implementing generative AI, prioritizing AI integration, efficiently managing unstructured data, and leveraging the power of cloud computing. These initiatives are guiding us towards our vision of creating connected experiences in the digital world.





BOARD OF DIRECTORS



Anil Singhvi

Chairman, Non-Executive &
Non-Independent Director



Nisha Dutt

Managing Director &
Chief Executive Officer



Poornima Prabhu

Independent Director



Archana Muthappa

Independent Director



Rupinder Goel

Independent Director



**Murali
Kalyanaraman**

Independent Director



LEADERSHIP TEAM



Nisha Dutt
Managing Director &
Chief Executive Officer



Sumit Kumar
Chief Financial Officer



Asha Subramanian
Chief Human Resources Officer



Harsha Angeri
VP Corporate Strategy &
Head AI Business



Girish Bhat
Global Head of Sales



Rohit Maheshwari
Head of Strategy & Products



Kiran Zachariah
Head of IoT Security



Bhavna Singh
General Counsel



KRISHNAKANTH G V
Company Secretary &
Compliance Officer



SUBEX CHARITABLE TRUST

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Subex Charitable Trust (SCT) is dedicated to positively impacting the community through various philanthropic initiatives. By partnering with local non-profits and engaging employees in volunteering programs, Subex actively supports education, social welfare and environmental conservation.



SCT has significantly contributed to the development of GHPS Doddabanhalli school by initiating the construction of two classrooms, with plans for four more. They have also provided financial aid to support teaching faculty, enabling the school to admit more students in the upcoming academic year.

SCT's vision for GHPS Doddabanhalli is to elevate it to the standard of any private funded school. Partnering with the school management and the non-profit Reaching Hand, SCT aims to ensure all fundamental amenities are provided and to further modernize the school.

Year 3 developmental initiatives by SCT include:

- Supporting the retention of teaching faculty.
- Adding three new classrooms.
- Establishing extracurricular activities.

The goal is to transform GHPS Doddabanhalli into the best government educational institute in Bangalore, focusing on the holistic growth of students.



BOARD'S REPORT

Dear Members,

Your Directors take pleasure in presenting the 30th Annual Report of the Company on the business and operations together with the audited results for the year ended March 31, 2024.

1. FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2024, is summarized as below

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2023-24	2022-23	2023-24	2022-23
Total Revenue	30,972	27,869	26,901	27,352
Share of Profit/ (Loss) from Limited Liability Partnerships, net	-	-	(1,012)	(3,159)
Other Income	673	816	151	242
Finance Cost	263	258	237	230
Profit/ (Loss) before exceptional items and tax expense	(2,715)	(3,906)	(5,004)	(7,699)
Exceptional item	14,795	-	14,795	-
Profit/loss before tax	(17,510)	(3,906)	(19,799)	(7,699)
Tax expenses	1,663	1,215	1,526	(823)
Profit/ (Loss) after tax	(19,173)	(5,121)	(21,325)	(6,876)
Other comprehensive income/(loss)	14	620	(1)	19
a) to be reclassified to profit or loss in subsequent periods	61	581	Nil	Nil
b) not to be reclassified to profit or loss in subsequent periods	(47)	39	(1)	19
Total comprehensive income for the year	(19,159)	(4,501)	(21,326)	(6,857)

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 strong partnerships.

Subex's investment in AI initiatives proved to be a game-changer for the Company. Customers responded favourably 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, 2024, the total income on a consolidated basis stood at ₹ 31,645 lakhs as against ₹ 28,685 lakhs during the previous year. The loss incurred for the financial year 2023-24 is ₹ 19,173 lakhs as against a profit of ₹ 5,121 lakhs in the previous year. On a standalone basis the total income is ₹ 27,052 lakhs as against the total income for the previous year which was ₹ 27,594 lakhs. The Company has during the year under review incurred a loss of ₹ 21,325 lakhs as against a loss of ₹ 6,876 lakhs in the previous year.

3. DIVIDEND

The Board has not proposed any dividend to be paid for the financial year 2023-24.

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, 2024, 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, 2024, 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, Enterprise Asset Management, Partner Management and Analytics 'Revenue Management Services/ RMS business'. Subex also offers scalable Managed Services and Business Consulting Services.

Through HyperSense, an AI-first line of offerings, Subex empowers communications service providers to make faster, better decisions by leveraging Artificial Intelligence (AI) and analytics across the data value chain.

Being truly a global company, it has more than 300 installations across 100+ countries.

Key Announcements in FY23-24

Tier-1 APAC Operator Embraces AI-based Fraud Management and Business Assurance Solutions Through Partnership with Subex

Subex announced that it has won a deal with a leading telecom operator in Southeast Asia. This deal involves the deployment of Subex's state-of-the-art Business Assurance and Fraud Management solutions on HyperSense. This significant development continues the over two-decade-long alliance between Subex and the operator, building on the successful implementation of ROC Revenue Assurance and Fraud Management systems.

HyperSense Fraud Management now available on Google Cloud

Subex announced the general availability of its Fraud Management solution on Google Cloud. This collaboration combines Subex's extensive fraud management expertise with the unparalleled scalability, reliability, security, advanced analytics, and robust partner ecosystem offered by Google Cloud. This joint venture will improve fraud prevention in the telecommunications industry.

Further developments that took place in 2024:

Tier 1 APAC Operator Selects Subex for AI-Driven Business Assurance

Subex announced a deal win with a leading telecom operator in the APAC region. This deal, signed by Subex (Asia Pacific) Pte Ltd, (wholly owned subsidiary of the Company) leveraging Subex's advanced Business Assurance solution on HyperSense, marks the continuation of a productive alliance that spans over 15 years, building on the ROC Revenue Assurance system's success.

Subex Introduces Technology Readiness Index for Business Assurance: A Global Benchmark

Subex unveiled the first ever Technology readiness Index for Business Assurance: A Global Benchmark. This pivotal new survey explores how Revenue/Business Assurance (RA/BA) functions in the telecoms industry have matured, assessing the strategic deployment of artificial intelligence (AI) and machine learning (ML) technologies and their impact on tangible ROI achievement.

8. SUBSIDIARIES (WHOLLY OWNED AND OTHER SUBSIDIARIES)

As on March 31, 2024, the Company has 11 subsidiaries.

SUBEX ASSURANCE LLP AND ITS SUBSIDIARIES

For the year ended March 31, 2024, Subex Assurance LLP earned a net income of ₹ 2,139 lakhs as against net income of ₹ 2,437 lakhs in the previous year and a net loss of ₹ 13,944 lakhs, as against a net loss of ₹ 793 lakhs in the previous year.

As at March 31, 2024, 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, 2024, the Standalone net income of Subex (UK) Limited was ₹ 18,383 lakhs as against ₹ 17,908 lakhs in the previous year, and a net loss of ₹ 817 lakhs as against a net loss of ₹ 934 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, 2024, the Standalone net income of Subex (Asia Pacific) Pte. Limited was ₹ 3,765 lakhs as against ₹ 5,073 lakhs in the previous year, and a net profit of ₹ 131 lakhs as against a net profit of ₹ 101 lakhs in the previous year.

- Subex Inc. is a wholly owned subsidiary of Subex (UK) Limited. For the year ended March 31, 2024, the Standalone net income of Subex Inc. was ₹ 6,418 lakhs as against ₹ 5,980 lakhs in the previous year, and the net profit of ₹ 258 lakhs as against a net profit of ₹ 272 lakhs in the previous year.
- Subex Middle East (FZE) is a wholly owned subsidiary of Assurance LLP. For the year ended March 31, 2024, the standalone net income of Subex Middle East (FZE) is ₹ 3,937 lakhs as against ₹ 765 lakhs in the previous year and net loss of ₹ 93 lakhs as against a net loss of ₹ 1,486 lakhs in the previous year.
- Subex Bangladesh Private Limited, is a wholly owned subsidiary of Subex Assurance LLP. For the year ended March 31, 2024, the standalone net income of Subex Bangladesh Private Limited is ₹ 439 Lakhs as against ₹ 526 Lakhs and net loss of ₹ 31 lakhs as against a net loss of ₹ 69 lakhs in the previous year.

SUBEX DIGITAL LLP

For the year ended March 31, 2024, Subex Digital LLP earned a net income of ₹ 4,726 lakhs as against ₹ 2,324 lakhs in the previous year, and a net loss of ₹ 918 lakhs as against a net loss of ₹ 2,355 lakhs in the previous year.

As at March 31, 2024, 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, 2024, Subex Technologies Limited incurred a net loss of ₹ 3 lakhs as against net loss of ₹ 3 lakhs in the previous year.

SUBEX AMERICAS INC.

For the year ended March 31, 2024, the standalone net income of Subex Americas Inc. is ₹ 1,188 lakhs as against ₹ 982 lakhs in the previous year, and a net loss of ₹ 41 lakhs as against a net loss of ₹ 56 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, 2024, 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, 2024, the standalone net income of Subex Account Aggregator Services Private Limited is ₹ 14 lakhs as against ₹ 8 lakhs in the previous year, and a net profit of ₹ 6 lakhs as against a net loss of ₹ 3 lakhs in the previous year.

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 statement which forms part of the Annual Report.

Details of the Company's Employee Stock Options Plans and the 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.

The Nomination & Remuneration Committee had approved the grant of 12,00,000 Stock Options, to the eligible employees of the Company in accordance with the Subex Employees Stock Option Scheme 2018 of the Company (ESOP – 2018).

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 2023-24 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 meets the legal obligation but also make a diversified Board with a mixed blend of experiences, expertise, and professionalism. 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, retires by rotation at the ensuing 30th AGM and being eligible, offers himself for re-appointment.

DETAILS OF APPOINTMENTS/RE-APPOINTMENTS/RESIGNATIONS:

- i) Mr. Shiva Shankar Naga Roddam ceased to be a Director as well as Whole Time Director of the Company with effect from close of business hours on May 3, 2023 as the Special Resolution for his re-appointment as the Whole-time director of the Company for a further period of 3 years, with effect from February 7, 2023 to February 6, 2026, proposed in the Postal Ballot Notice dated February 3, 2023 was not passed by the Members of the Company with requisite majority.
- ii) 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 served on the Board of Subex Limited as the Non-Executive, Non-Independent Director from May 2, 2023 to September 7, 2023.
- iii) 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 (DIN: 06465957), as the Chief Executive Officer of the Company. Ms. Nisha has been on the Board of Directors of the Company since 2015 as an Independent Director. She resigned from her then current role as the Independent Director and assumed the role of Chief Executive Officer of the Company with effect from May 2, 2023. The Board of Directors, at its meeting held on May 10, 2024, based on the recommendation of Nomination & Remuneration Committee, has appointed her as the Managing Director & CEO of the Company for a period of 3 years, with effect from May 10, 2024, subject to the approval of the members.
- iv) 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 same was approved by the members of the Company at their 29th Annual General Meeting.

- v) The members at the 29th AGM approved the reappointment of Mr. Anil Singhvi, Director liable to retire by rotation, as the Non-Executive & Non-Independent Director of the Company.
- vi) Mr. George Zacharias, Independent Director of the Company, was appointed on May 13, 2019, for a term of 5 (five) years, ending on May 12, 2024. He has put forth his intention of not being re-appointed for a second tenure, thus, he ceases to be an Independent Director from close of business hours on May 12, 2024.
- vii) The Board of Directors at its meeting held on May 10, 2024, based on the recommendation of Nomination & Remuneration Committee has appointed Mr. Murali Kalyanaraman (DIN: 07011607) as an Additional Director (Category: Non – Executive, Independent) on the Board of the Company for a period of 3 (three) years commencing from May 10, 2024, 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 30th 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 and further appointed as MD & CEO w.e.f. May 10, 2024)	Managing Director & Chief Executive Officer
3.	Mr. Shiva Shankar Naga Roddam (Discontinued 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, 7 (seven) Board Meetings were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The dates on which meetings were held are as follows:

Board Meeting Number	Date of Meeting
1/2023-24	April 17, 2023
2/2023-24	May 08, 2023
3/2023-24	May 15, 2023
4/2023-24	July 12, 2023
5/2023-24	August 8, 2023
6/2023-24	November 8, 2023
7/2023-24	February 7, 2024

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 May 10, 2024, 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 on February 07, 2024, reviewed the performance of Non-Independent Directors and Board as a whole and Chairman of the Company, taking into account the views of the 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, 2024, the Audit Committee consisted of 3 (three) Directors as its members.

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

*(ceased to be a Director w.e.f. May 12, 2024)

Note: The Board re-constituted the Committee with effect from May 12, 2024 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, 2024 contains one observation which has been mentioned in the Report.

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 1,000 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/investors/shareholder-services>.

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 efforts to be 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 2023-24, total foreign exchange inflow and outflow of the Company is as follows:

- i) Foreign Exchange inflow ₹ 24,664 lakhs (Previous Year ₹ 23,601 lakhs)
- ii) Foreign Exchange outflow ₹ 15,134 lakhs (Previous Year ₹ 10,592 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, 2024:

Sr. No.	Name of the Director	Category
1	Mr. Anil Singhvi (Chairman)	Non-Executive & Non-Independent Director
2	Ms. Poornima Prabhu	Independent Director
3	Mr. George Zacharias	Independent Director*

*(ceased to be a Director w.e.f May 12, 2024)

Note: The Board re-constituted the Committee with effect from May 12, 2024, 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 the society. SCT is managed by trustees elected from among the employees of the Company. Please refer page 13 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

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 "CRISIL BBB+Negative" (pronounced as CRISIL 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. Additionally, we continued to identify and involve relevant stakeholders to review and align the processes to Subex's Business objectives.

31. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has implemented a vigil mechanism policy to deal with instances of fraud, leakage of unpublished price sensitive information and mismanagement, if any. The policy also provides for adequate safeguards against

victimization of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in all cases. The details of the policy are posted on the website of the Company under the link <https://www.subex.com/investors/shareholder-services/>. One complaint was received during the financial year 2023-24 and the same was addressed by the Audit Committee.

32. POLICY ON SEXUAL HARASSMENT 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. 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.

34. RELATED PARTY TRANSACTIONS

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

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

The Company has entered into sub-contracting arrangements with its subsidiaries, based on transfer pricing methodology, for development and enhancement of its products as well as marketing of its products by the subsidiaries across locations. The Company has also entered into marketing arrangements with its subsidiaries wherein there is a cross-charge done by the subsidiaries towards its efforts for the same.

The 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".

35. 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 2023-24. However, on April 29, 2024 the Company has received an order under section 254 of the Income tax Act, 1961 from the Deputy Commissioner of Income Tax Circle 6(1) (1), Bengaluru, for the Assessment Year 2013-14. As per the order, the Company is entitled to a refund of INR 7.11 Crores the Assessment Year 2013-14. As per the order, the Company is entitled to a refund of INR 7.11 Crores.

36. ANNUAL RETURN

A copy of the Annual Return of the Company for the Financial year 2023-24, 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>.

37. LISTING WITH STOCK EXCHANGES

The Company has paid the Annual Listing Fees for the year 2023-24 and 2024-25 to the Exchanges where the Company's shares are listed i.e., the National Stock Exchange of India Ltd ('NSE') and BSE Ltd ('BSE').

38. 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).

39. 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.

40. 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.

41. DIRECTOR'S 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, 2024, 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, 2024, and of the profit and loss 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, 2024, 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;

42. 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 Ltd, 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: May 10, 2024

ANNEXURE A

Information as of March 31, 2024 pertaining to the Employee Stock Option Scheme of the Company

Sl. No	Particulars	ESOP 2018
1	a) Options granted as on March 31, 2024	2,73,38,500
	b) Options granted during the year	12,00,000
2	Options vested as on March 31, 2024	2,11,33,389
3	Options exercised as on March 31, 2024	1,48,72,951
4	No. of shares arising as a result of exercise of options during the year ended March 31, 2024	33,33,751 [#]
5	Options Lapsed as on March 31, 2024	1,02,29,049 ^{**}
6	Exercise Price	₹ 6 to Rs. 20
7	Variation of terms of options	None
8	Money realized by exercise of options as on March 31, 2024	₹ 8,97,67,706
9	Total number of options in force	22,36,500
10	Employee wise details of options granted during the year under review to:	
	(i) Key managerial personnel	Ms. Nisha Dutt - 5,00,000 Mr. Sumit Kumar - 3,00,000
	(ii) other employee receiving a grant in the year of option amounting to 5% or more of options granted during that year	Mr. Harsha Angeri - 1,50,000 Mr. Girish Bhat - 1,50,000 Mr. K Dakshina Murthy - 1,00,000
	(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'	₹ (3.86)
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 of 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 because of exercise of options during the year ended March 31, 2024. Shares were transferred from the ESOP Trust against the exercise of options.

For Subex Limited

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

Place: Bengaluru
Date: May 10, 2024

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, 2023, to March 31, 2024. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

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

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

For BMP & Co. LLP
Company Secretaries

Pramod S M
Partner
FCS 7834 / CP No. 13784

Date: May 10, 2024
Place: Mangalore
UDIN: F007834F000344126

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, 2024

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

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"). The 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, 2024 (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 for the financial year ended on March 31, 2024, 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 Non-Convertible Securities) Regulations, 2021 **(Not Applicable to the Company during the Audit Period)**.
 - f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period)**.
 - h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)** and
 - i) 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 Copy Right Act, 1957.

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

- a) Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
- b) Listing Agreements entered into by the Company with 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 except the following:

Pursuant to the provisions of Regulation 17(1)(c) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirement) Regulation, 2015, ("SEBI LODR Regulations") the board of directors of the Company shall comprise of not less than six directors and pursuant to the provisions of Regulation 17(1E) of the SEBI LODR Regulations, any vacancy in the office of a director shall be filled by the listed entity at the earliest and in any case not later than three months from the date such vacancy. However, the Board of Directors of the Company has only 5 directors from September 07, 2023, instead of 6 Directors. The Company is yet to fill the vacancy for being compliant.

We further report that:

The Board of Directors of the Company is not duly constituted. But there is a proper balance of Non-Executive Directors and Independent Directors. There is no Executive Director on the Board of the Company as of March 31, 2024. 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 subject to our comments above.

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 there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the audit period, there was an event/action having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines etc., which are as follows:

- a. The Company had appointed Mr. Vinod as MD & CEO & later resigned on May 01, 2023. However, the Company has filled the vacancy of CEO by appointing Ms. Nisha Dutt as per the provision of Section 203 of the Companies Act, 2013.
- b. General Meeting dated September 19, 2022 had obtained approval from members for Reclassification from the "Promoter/Promoter Group" category to "Public" category and on September 25, 2023, the Company has received the approval from Bombay Stock Exchange & National Stock Exchange during the period under review. As on March 31, 2024 the Company does not have any person as its Promoter

For V. SREEDHARAN & ASSOCIATES
Company Secretaries

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

Place: Bengaluru
Date: 10.05.2024
UDIN: FO07260F000349580
Peer Review Certificate No: 5543/2024

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.
7. We had received an appointment letter dated April 01, 2024 issued and signed by Ms. Nisha Dutt, CEO of the Company for carrying out the Secretarial Audit for the financial year 2023-24.

For V. SREEDHARAN & ASSOCIATES

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

Place: Bengaluru
 Date: 10.05.2024
 UDIN Number: F007260F000349580
 Peer Review Certificate No. 5543/2024

Secretarial Compliance Report of Subex Limited for the financial year ended March 31, 2024

[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, 2024 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 certification,

for the financial year ended March 31, 2024 ("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, herein referred as SEBI (LODR), Regulations 2015;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Listed entity during the Review Period);
- (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 Securities) Regulations, 2021; **(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 (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period)**; and
- (i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client.

and circulars/guidelines issued thereunder;

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

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder except in respect of matters specified below:

Sl. No.	Compliance Requirement (Regulations/ Circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
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Refer Annexure - 1

- (b) The listed entity has taken the following actions to comply with the observations made in previous reports: **Not Applicable**

Sl. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2023	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
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Not applicable

- (c) We hereby report that, during the review period the compliance status of the listed entity with the following requirements:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	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).	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: (a) Identification of material subsidiary companies. (b) Requirements with respect to disclosure of material as well as other subsidiaries	Yes Yes	Nil 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: The actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges are specified in the last column.	Yes	Refer Annexure - 1
12.	Resignation of statutory auditors from the listed entities and their material subsidiaries: In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular (SEBI/HO/CFD/PoD2/CIR/P/2023/120) dated July 11, 2023 on compliance with the provisions of LODR Regulations by listed entities.	Not applicable	The auditors of the listed entity or any of its material subsidiaries have not resigned during the Review Period.
13.	No additional non-compliances observed: No additional non-compliance observed for any of the SEBI regulation/ circular/guidance note etc. except as reported above.	No	Refer Annexure - 1

Assumptions & Limitation of Scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For V. SREEDHARAN & ASSOCIATES

Company Secretaries

(Pradeep B. Kulkarni)

Partner

FCS: 7260; CP No. 7835

Place: Bengaluru

Date: 10.05.2024

UDIN: F007260F000349679

Peer Review Certificate No. 589/2019

Annexure 1

a) The listed entity has complied with the provisions of the above Regulations and circulars / guidelines issued thereunder as stated in our report, except in respect of matters specified below;

Sr. No.	Compliance Requirement (Regulations /circulars / guidelines including specific clause)	Regulation /Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine paid Amount	Observations /Remarks of the Practicing Secretary of the Listed entity	Management Response	Remarks
1.	Provision of Regulation 17(1)(c) and 17(1E) The board of directors of the top 1000 listed entities (with effect from April 1, 2019) and the top 2000 listed entities (with effect from April 1, 2020) shall comprise of not less than six directors and pursuant to the provisions of Regulation 17(1E) of the SEBI LODR Regulations, any vacancy in the office of a director shall be filled by the listed entity at the earliest and in any case not later than three months from the date such vacancy.	Provision of Regulation 17(1)(c) and 17(1E) of SEBI (LODR) Regulation, 2015	The Board of Directors of the Company has only 5 directors w.e.f September 07, 2023 instead of 6 Directors.	Bombay Stock Exchange (BSE) & National Stock Exchange (NSE)	Imposed Fine	The Board of Directors of the Company has only 5 directors w.e.f September 07, 2023 instead of 6 Directors.	BSE – ₹ 1,66,300 NSE – ₹ 1,66,300	Please find below	Please find below	-

Sl. No.	Observations / Remarks of the Practicing Secretary of the Listed entity	Management Response
1.	The Board of Directors of the Company has only 5 directors w.e.f September 07, 2023 instead of 6 Directors.	The domains that the Company operates demand people with expertise in cutting-edge technologies with strong business acumen for guiding the Company to perfectly execute the growth plan laid out. Given the niche nature of skillsets required for this role, finalizing a suitable person has been challenging. We would also like to submit that the non-compliance with regard to the composition of the Board was neither due to any negligence/default by the Company. The Management is making continuous efforts to meet the compliance requirements.

For V. SREEDHARAN & ASSOCIATES
Company Secretaries

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

Place: Bengaluru
Date: 10.05.2024
UDIN: FO07260FO00349679
Peer Review Certificate No. 5543/2024

Annexure- D

Particulars		
(i) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;	Non-Executive Directors / Independent Director	Ratio to the median remuneration
	Mr. Anil Singhvi	\$
	Ms. Poornima Prabhu	\$
	Mr. George Zacharias	\$
	Mr. Rupinder Goel*	\$
	Ms. Archana Muthappa*	\$
	Executive Directors	Ratio to the median remuneration
	Mr. Vinod Kumar Padmanabhan	#
	\$ For the FY 24, no remuneration has been paid to any of the Non-Executive Directors / Independent Directors. Subject to the approval of the shareholders at the 30 th AGM of the Company, the Board at its meeting held on February 07, 2024 approved the proposal for payment of remuneration by way of commission to Independent and Non-Executive Directors, at a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013. In any financial year, if the Company has no profits or its profits are inadequate, the Company may pay remuneration to its Independent Directors and Non-Executive Directors, in accordance with the terms of Section II of Part II of Schedule V of the Companies Act, 2013.	
	* Mr. Rupinder Goel and Ms. Archana Muthappa were appointed as Independent Directors, effective August 08, 2023.	
	# Median is not calculated for Mr. Vinod Kumar Padmanabhan as he has resigned as Managing Director & CEO with effect from May 01, 2023.	
(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	Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	Percentage of increase in remuneration in the financial year
	Mr. Anil Singhvi	Refer note 1
	Ms. Poornima Prabhu	Refer note 1
	Mr. Rupinder Goel	Refer note 1
	Ms. Archana Muthappa	Refer note 1
	Mr. George Zacharias	Refer note 1
	Mr. Vinod Kumar Padmanabhan	Refer note 2
	Ms. Nisha Dutt	Refer note 3
	Mr. Sumit Kumar	11.1%
	Mr. G V Krishnakanth	0%
(iii) the percentage increase in the median remuneration of employees in the financial year.	Note:	
	1. For the FY24, no remuneration has been paid to any of the Non-Executive Directors / Independent Directors. Subject to the approval of the shareholders at the 30 th AGM of the Company, the Board at its meeting held on February 07, 2024 approved the proposal for payment of remuneration by way of commission to Independent and Non-Executive Directors, at a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013. In any financial year, if the Company has no profits or its profits are inadequate, the Company may pay remuneration to its Independent Directors and Non-Executive Directors, in accordance with the terms of Section II of Part II of Schedule V of the Companies Act, 2013.	
	2. Not comparable as Mr. Vinod Kumar Padmanabhan resigned as Managing Director & CEO with effect from May 01, 2023.	
	3. Not comparable as Ms. Nisha Dutt has been appointed as CEO with effect from May 02, 2024.	
(iv) the number of permanent employees on the rolls of Company;	645 employees as on March 31, 2024	
(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;	There was an average increase of 5.8% in the salaries of employees other than managerial personnel. There was an increase of 11.1% in remuneration of the KMP.	
(vi) Affirmation that the remuneration is as per the remuneration policy of the Company.	The remuneration of Directors, Senior Management and Employees is as per the Remuneration Policy of the Company.	

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 10, 2024
(f) Amount paid as advances, if any:	NA

For Subex Limited

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

Place: Bengaluru
Date: May 10, 2024

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, 2024, 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	Nil	N.A.
2	Ms. Poornima Prabhu	Independent Director	Nil	N.A.
3	Mr. George Zacharias*	Independent Director	Nil	N.A.

*(ceased to be a Director w.e.f May 12, 2024)

Note: The Board re-constituted the Committee with effect from May 12, 2024 pursuant to the changes in the Board of Directors.

- 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

- 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

- 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.

- (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 2023-24

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, 2024:

[illegible]

(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 2023-2024.

For Subex Limited

Anil Singhvi

Chairman, Non-Executive & Non-Independent Director

Place: Bengaluru

Date: May 10, 2024

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 to Page 13 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, transparency, 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 the 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 of 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 law and not just the letter of 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, 2024, 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 was formed with an optimum combination of Executive and Non-Executive Directors, which not only meets the legal obligation but also made a diversified Board with a mixed blend of experiences, expertise and professionals. However, as on March 31, 2024*, the Board of Directors of Subex Limited comprises of five Directors out of which four 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 Chief Executive Officer of the Company.

*As on May 10, 2024, the composition of the Board of Directors is in compliance with Regulation 17(1)(c) of SEBI (LODR) Regulations, 2015.

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 four 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, Institutional Investor Advisory Services India Ltd to name a few.

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.

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 Limited.

Mr. Rupinder Goel, Independent Director, is a renowned Digital Evangelist and a Global Digital Leader leading Business Transformation for more than a decade. He has over 25 years of experience in Information Technology across Global Organizations in diverse sectors. He has a proven record in delivering business growth and profitability by leveraging technology and done groundbreaking work in B2B Digital Commerce and bringing agility & scale through Digital Business Transformation and redefining customer & partner experience. He has done his Masters in Business Administration from Purdue University and served as CIO in reputed organizations such as Tata Communications & Bharti Airtel. He is also an active contributor in the startup ecosystem as a mentor to new ventures, advisor on investment, coach for future leaders.

Ms. Archana Muthappa, Independent Director, is a Strategic Communications Business Leader & Head of Corporate Communications with over 25 years experience and expertise in Media, Issues and Crisis Communication, Internal, External & Executive Communication, Stakeholder Management. She holds a Master's Degree in Clinical Psychology and has a Diploma in Transaction Analysis. She has comprehensive business acumen and extensive knowledge with respect to client engagements/ business/ vision and growth across various industries. Further, she is the Founder of 2Teaspoon Consulting which specializes in Communication Consulting.

Details of appointments/ re-appointments/ resignations:

- i) Mr. Shiva Shankar Naga Roddam ceased to be a Director as well as Whole Time Director of the Company with effect from close of business hours on May 3, 2023 as the Special Resolution for his re-appointment as the Whole-time director of the Company for a further period of 3 years, with effect from February 7, 2023 to February 6, 2026, proposed in the Postal Ballot Notice dated February 3, 2023 was not passed by the Members of the Company with requisite majority.
- ii) 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 served on the Board of Subex Limited as the Non-Executive, Non-Independent Director from May 2, 2023 to September 7, 2023.
- iii) 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 (DIN: 06465957), as the Chief Executive Officer of the Company. Ms. Nisha has been on the Board of Directors of the Company since 2015 as an Independent Director. She resigned from her then current role as the Independent Director and assumed the role of Chief Executive Officer of the Company with effect from May 2, 2023. The Board of Directors, at its meeting held on May 10, 2024, based on the recommendation of Nomination & Remuneration Committee, has appointed her as the Managing Director & CEO of the Company for a period of 3 years, with effect from May 10, 2024, subject to the approval of the members.
- iv) 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 same was approved by the members of the Company at their 29th Annual General Meeting.
- v) The members at the 29th 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.
- vi) Mr. George Zacharias, Independent Director of the Company, was appointed on May 13, 2019, for a term of 5 (five) years, ending on May 12, 2024. He has put forth his intention of not being re-appointed for a second tenure, thus, he ceases to be an Independent Director from close of business hours on May 12, 2024.
- vii) The Board of Directors at its meeting held on May 10, 2024, based on the recommendation of Nomination & Remuneration Committee has appointed Mr. Murali Kalyanaraman (DIN: 07011607) as an Additional Director (Category: Non – Executive, Independent) on the Board of the Company for a period of 3 (three) years commencing from May 10, 2024, 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 30th 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/ Committee 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 Directors present at the meeting.

B. Details of attendance of Board of Directors and other Directorship / committee positions, etc. as on March 31, 2024:

Director	Position & Category	No. of Board Meetings entitled to attend	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	7	7	Yes	4	2	3
Ms. Poornima Prabhu	Independent Director	7	7	Yes	0	0	0
Mr. George Zacharias	Independent Director	7	7	Yes	1	0	1
Mr. Rupinder Goel®	Independent Director	2	2	Yes	0	0	0
Ms. Archana Muthappa®	Independent Director	2	2	Yes	0	0	0
Ms. Nisha Dutt®	Independent Director	1	1	Yes	0	0	0
Mr. Vinod Kumar Padmanabhan®	Managing Director & Chief Executive Officer (till May 01, 2023)	1	1	No	-	-	-
	Non- Executive Non- Independent (till September 07, 2023)	4	4	No			
Mr. Shiva Shankar Naga Roddam®	Whole-time Director (till May 03, 2023)	1	1	No	-	-	-

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. Anil Singhvi	IDFC Limited	Non-Executive, Independent Director, and Chairperson
	Shree Digvijay Cement Co. Limited	Executive Director and Chairperson
Ms. Poornima Prabhu	Nil	Nil
Mr. George Zacharias	Matrimony.com Limited	Non-Executive, Independent Director
Mr. Rupinder Goel	Nil	Nil
Ms. Archana Muthappa	Nil	Nil
Ms. Nisha Dutt®	Nil	Nil
Mr. Vinod Kumar Padmanabhan®	Nil	Nil
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 of Subex Limited.

** Regulation 17A of the SEBI (LODR) Regulations, 2015 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.

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- i) 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 served on the Board of Subex Limited as the Non-Executive, Non-Independent Director from May 2, 2023 to September 7, 2023.
- ii) The Board of Directors at its meeting held on April 17, 2023, appointed Ms. Nisha Dutt, as the Chief Executive Officer of the Company. She resigned from her then current role as the Independent Director and assumed the role of Chief Executive Officer of the Company with effect from May 2, 2023.
- iii) 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.
- iv) Mr. Shiva Shankar Naga Roddam ceased to be a Director as well as Whole Time Director of the Company from close of business hours on May 03, 2023.

\$ Details applicable for the period members held the position of Directorship in the Company.

C. Number and Dates of Board Meetings:

Details of meetings of the Board held during the financial year 2023-24 are as follows:

Sl. No	Board Meeting Number	Date of the Board Meeting
1.	No. 1/2023-24	April 17, 2023
2.	No. 2/2023-24	May 08, 2023
3.	No. 3/2023-24	May 15, 2023
4.	No. 4/2023-24	July 12, 2023
5.	No. 5/2023-24	August 08, 2023
6.	No. 6/2023-24	November 08, 2023
7.	No. 7/2023-24	February 07, 2024

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, 2024	% of equity
Mr. Anil Singhvi	60,000	0.011
Ms. Poornima Prabhu	NIL	NA
Mr. George Zacharias	NIL	NA
Mr. Rupinder Goel	NIL	NA
Ms. Archana Muthappa	NIL	NA

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, considers the appointment and re-appointment 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 and the Managing Director & Chief Executive Officer 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 Nomination & Remuneration Committee 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 Nomination & Remuneration Committee 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 Annual General Meeting or within 3 (three) months, whichever is earlier, are appointed as

Independent Director / Non-Executive Non-Independent Director / Executive Director, as the case may be.

G. Familiarization Programme for Independent Director

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:

Skills/ expertise/ competencies	Mr. Anil Singhvi	Ms. Poornima Prabhu	Mr. George Zacharias	Mr. Rupinder Goel	Ms. Archana Muthappa
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, 2024, the Company has four 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 Nomination & Remuneration Committee of the Company, for appointment as Independent Director on the Board. The Nomination & Remuneration Committee, 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 SEBI (LODR) Regulation, 2015, 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, if any, 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, commission (if any) and reimbursement of any expenses for attending meetings of the Board and its Committees. The Remuneration paid by the Company is in conformity with the provisions of the Companies Act, 2013, and has been considered and approved by the Board

and the Shareholders. The Company has not granted any stock options to Independent Directors.

Subject to the approval of the shareholders at the 30th AGM of the Company, the Board at its meeting held on February 07, 2024 approved the proposal for payment of remuneration by way of commission to Independent and Non-Executive Directors, at a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013. In any financial year, if the Company has no profits or its profits are inadequate, the Company may pay remuneration to its Independent Directors and Non-Executive Directors, in accordance with the terms of Section II of Part II of Schedule V of the Companies Act, 2013.

Details of the remuneration paid 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, 2015. Mr. George Zacharias, Chairman of the Audit Committee was present at the 29th Annual General Meeting of the Company. 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 for appointment, remuneration and terms of appointment of the auditors, if required,
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 non-payment 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 up to 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, 2024

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

*(ceased to be a Director w.e.f May 12, 2024)

Note: The Board re-constituted the Audit Committee with effect from May 12, 2024 pursuant to the changes in the Board of Directors.

C. Meetings and Attendance of the Committee during the Year

During the financial year 2023-24, the following meetings of the Audit Committee were held :

Sl. No	Meeting No.	Date of the meeting
1.	No. 1/2023-24	May 15, 2023
2.	No. 2/2023-24	August 08, 2023
3.	No. 3/2023-24	November 08, 2023
4.	No. 4/2023-24	February 07, 2024

The Attendance of the members at the Audit Committee Meetings during the Financial Year 2023-24 are as follows:

Name of the Director	No. of Audit Committee Meetings entitled to attend	No. of Audit Committee Meetings Attended
Mr. George Zacharias (Chairman)	4	4
Mr. Anil Singhvi	4	4
Ms. Poornima Prabhu	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 2023-2024.

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, 2024 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.	Mr. George Zacharias	Independent Director*

*(ceased to be a Director w.e.f May 12, 2024)

Note: The Board re-constituted the Nomination & Remuneration Committee with effect from May 12, 2024 pursuant to the changes in the Board of Directors.

C. Meetings and Attendance of the Committee during the Year

During the financial year 2023-24, the following meetings of the Nomination & Remuneration Committee were held:

Sl. No	Meeting No.	Date of the meeting
1.	No. 1/ 2023-24	April 17, 2023
2.	No. 2/ 2023-24	May 08, 2023
3.	No. 3/ 2023-24	June 29, 2023
4.	No. 4/ 2023-24	August 08, 2023
5.	No. 5/2023-24	February 07, 2024

Ms. Poornima Prabhu, Chairperson of the Nomination & Remuneration Committee was present at the 29th Annual General Meeting.

The Attendance of the members at the Nomination & Remuneration Committee meetings during the Financial Year 2023-24 are as follows:

Name of the Director	No. of Nomination & Remuneration Committee Meetings entitled to attend	No. of Nomination & Remuneration Committee Meetings Attended
Ms. Poornima Prabhu	5	5
Mr. Anil Singhvi	5	5
Ms. George Zacharias	4	4
Ms. Nisha Dutt*	1	1

*(ceased to be a Director w.e.f May 01, 2023)

Note: The Board re-constituted the Nomination & Remuneration Committee effective from May 02, 2023 and May 01, 2024 pursuant to the changes in the Board of Directors.

The minutes of the meetings of the Nomination & Remuneration Committee are placed before and noted by the Board. All recommendations made by the Nomination & Remuneration Committee were accepted by the Board of Directors of the Company during the financial year 2023-2024.

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 reflects 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. During the year under review, the Company paid the sitting fees to the Non-Executive Directors for attending meetings of the Board, Audit, Nomination & 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 Nomination & Remuneration Committee and approved by the Board. 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 2023-24 are given below:

(₹ in Lakhs)

Name of the Director	Sitting fees
Mr. Anil Singhvi	22.00
Ms. Nisha Dutt	2.00
Ms. Poornima Prabhu	20.00
Mr. George Zacharias	17.00
Mr. Rupinder Goel	2.00
Ms. Archana Muthappa	3.00
Mr. Vinod Kumar Padmanabhan*	2.00

* Sitting fee paid to Mr. Vinod Kumar Padmanabhan as Non-Executive, Non-Independent Director

Note: Subject to the approval of the shareholders at the 30th AGM of the Company, the Board at its meeting held on February 07, 2024 approved the proposal for payment of remuneration by way of commission to Independent and Non-Executive Directors, at a sum not exceeding 1% per annum of the net profits of the Company, calculated

in accordance with the provisions of Section 198 of the Companies Act, 2013. In any financial year, if the Company has no profits or its profits are inadequate, the Company may pay remuneration to its Independent Directors and Non-Executive Directors, in accordance with the terms of Section II of Part II of Schedule V of the Companies Act, 2013.

Remuneration of Executive Directors:

The compensation paid to the Executive Directors is 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
Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	23.12
Allowances and perquisites	4.13
Contribution to Retiral Funds	0.74
Total	27.99
Options Granted during the year	0
Options exercised during the year	10,75,000
No. of Shares held (as on March 31, 2024)	475,000
Term of Service Contract	From April 01, 2021 till March 31, 2024*
Notice Period	3 months

*Mr. Vinod Kumar Padmanabhan ceased to be the Managing Director & Chief Executive Officer of the Company with effect from close of business hours on May 01, 2023.

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 01, 2023 and served on the Board of Subex Limited as the Non-Executive, Non-Independent Director from May 02, 2023 to September 07, 2023.

Notes:

- Salary includes fixed pay and performance linked variable pay.
- In view of no profits / inadequate profit as computed in accordance with Section 198 of the Act, the Managing Director & CEO have been paid remuneration in accordance with Part II of Section II of Schedule V of the Act for the year ended March 31, 2024.
- Remuneration includes the value of perquisites arising out of the exercise of employee stock options.
- 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 & 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, 2024:

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

B. Meetings and Attendance of the Committee during the Year

During the Financial Year 2023-24, the following meetings of the Stakeholders Relationship Committee were held:

Sl. No	Meeting No.	Date of the meeting
1.	No. 1/2023-24	May 12, 2023
2.	No. 2/2023-24	August 08, 2023
3.	No. 3/2023-24	November 08, 2023
4.	No. 4/2023-24	February 07, 2024

Attendance of the Directors at the Stakeholders Relationship Committee Meetings during the Financial Year 2023-24 are as follows:

Name of the Director	No. of Stakeholders Relationship Committee Meetings entitled to attend	No. of Stakeholders Relationship Committee Meetings Attended
Mr. Anil Singhvi	4	4
Ms. Poornima Prabhu	4	4
Mr. Vinod Kumar Padmanabhan*	2	2
Ms. Archana Muthappa#	1	1

* ceased to be a member of the Committee w.e.f September 07, 2023.

appointed as member of the Committee w.e.f November 08, 2023,

Mr. Anil Singhvi, Chairman of the Committee attended the last Annual General Meeting of the Company held on September 29, 2023, 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 ended March 31, 2024, 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	17
Number of shareholders complaints redressed during the year.	17
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 and Sweat Equity) Regulations, 2021, 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:

- 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;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (i); and
- monitor the Corporate Social Responsibility Policy of the Company from time to time.

A. Composition of the CSR Committee as on March 31, 2024

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. George Zacharias®	Independent Director

®(ceased to be a Director w.e.f May 12, 2024)

Note: The Board re-constituted the Committee with effect from May 12, 2024 pursuant to the changes in the Board of Directors.

B. Meetings and Attendance of the Committee during the Year 2023-24

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 in a separate section in this Annual Report as 'Annexure G' to the Board's 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 a 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, 2024

Sl. No	Name of the Director	Category
1.	Mr. Anil Singhvi (Chairman)	Non-Executive & Non-Independent Director
2.	Ms. Nisha Dutt	Chief Executive Officer
4.	Mr. George Zacharias	Independent Director*

*(ceased to be a member w.e.f May 12, 2024)

Note: The Board re-constituted the Risk Management Committee with effect from May 12, 2024 pursuant to the changes in the Board of Directors.

C. Meetings and Attendance during the Year

During the Financial Year 2023-24, the following meetings of the Risk Management Committee were held:

Sl. No.	Meeting No.	Date of the meeting
1.	No. 1/2023-24	May 12, 2023
2.	No. 2/2023-24	November 08, 2023

Attendance of the Directors at the Risk Management Committee Meetings during the Financial Year 2023-24 are as follows:

Name of the Director	No. of Risk Management Committee Meetings entitled to attend	No. of Risk Management Committee Meetings attended
Mr. Anil Singhvi	2	2
Ms. Nisha Dutt	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.

Details of appointments / re-appointments / resignations:

1. Mr. Shiva Shankar Naga Roddam ceased to be a Director as well as Whole Time Director of the Company with effect from close of business hours on May 03, 2023.
2. 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 with effect from May 01, 2023.
3. The Board of Directors on the recommendation of the Nomination & Remuneration Committee at their meetings held on April 17, 2023, appointed Ms. Nisha Dutt (DIN: 06465957), as the Chief Executive Officer of the Company with effect from May 02, 2023.
4. Mr. Suresh Chintada resigned as Chief Technology officer of the company with effect from September 19, 2023.

X. MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met once on February 07, 2024, 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
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
2022-23	September 29, 2023	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 passed
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.
September 29, 2023	2	1. Appointment of Mr. Rupinder Goel as an Independent Director of the Company. 2. Appointment of Ms. Archana Muthappa as an Independent Director of the Company.

B. Extraordinary General Meeting:

No Extraordinary General Meeting of the members was held during FY 2023-24.

C. Postal Ballot during year 2023- 24

The Company has sought approval of shareholders through Postal Ballot in terms of General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022 and 11/2022 dated December 28, 2022 ("MCA Circulars"), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations"), Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India and other applicable, laws, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and as amended from time to time.

Pursuant to Section 110 of the Companies Act, 2013 read with the rules framed thereunder, the Company proposed to obtain the consent of the shareholders for the re-appointment of Mr. Shiva Shankar Naga Roddam as a Whole-time Director (DIN: 7212118) through Postal Ballot Notice dated February 03, 2023.

In compliance with the requirements of the Companies Act and the MCA Circulars, the company had sent the Postal Ballot Notice dated February 03, 2023 by e-mail to its members who had registered their email addresses with the Company or depository/ depository participants as on the cut-off date i.e. March 24, 2023 and the communication of assent or dissent of the members took place through the remote e-voting system only.

The e-voting period commenced on Tuesday, April 04, 2023, at 9.00 AM (IST) and ended on Wednesday, May 03, 2023, at 5:00 PM (IST). The Company appointed Mr. Pramod S.M. (FCS Membership No. 7834 and Certificate of Practice No.13784), Partner, BMP & Co., LLP, Practising Company Secretaries as

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

However, the Special Resolution proposed in the Postal Ballot notice dated February 03, 2023 was not passed by requisite majority and necessary disclosures were made to the Stock Exchanges. The results were displayed on the website of the Company under the link <https://www.subex.com/investors/investor-information/>.

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.

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 Vishwawani (Kannada). The complete financial statements are posted on the Company's website at <https://www.subex.com/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 2023-24, had scheduled the Investor calls to discuss on the Earnings of the Company for relevant quarters which were scheduled on August 09, 2023, November 09, 2023, and February 07, 2024 respectively.

The Company did not have any Institutional investors during the financial year and hence there were no presentations made to the institutional investors.

The transcripts pertaining to the Earning's call held during the year are uploaded on the Company's website under the link <https://www.subex.com/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, 10/2022 and 09/2023 dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022, December 28, 2022 and September 25, 2023 respectively, issued by the Ministry of

Corporate Affairs ("collectively MCA Circulars") and Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021, Circular No. SEBI/HO/DDHS/P/CIR/2022/0063 dated 13th May, 2022, SEBI/HO/CRD/PoD-2/P/CIR/2023/4 dated 05th January, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 07th October, 2023, issued by the Securities and 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, 2024, 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 a 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 2023-24 (including AGM Notice) to those shareholders whose email addresses are registered with the Depository Participants and / or with the Company's Registrar & 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 30th 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 on an arms' length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by Ind AS have 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 Directors, its Senior Management or its subsidiaries which may affect their independence. The Company has received the relevant declarations in this regard from its Independent Directors of the Company.

B. 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 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.

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. However, the Company had received notices from National Stock Exchange of India Limited and BSE Limited for the quarter ended September and December, 2023 with respect to Non-compliance of Regulation 17(1) of SEBI (LODR) Regulations, 2015. The Company has paid a fine of ₹ 41,300/- and ₹ 147,500/- for the quarter ended September and December, 2023 respectively.

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 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 Chairman 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	10.11.2017
4.	Subex Digital LLP	05.04.2017	Bangalore, India	S.R. Batliboi & Associates LLP	10.11.2017
5.	Subex Middle East (FZE)	25.03.2015	Sharjah, UAE	Al Shuruq Auditing & Accounting	16.04.2018
6.	Subex Inc	27.10.2004	USA	Ram Associates, CPAs	28.11.2006
7.	Subex Americas Inc	31.07.1997	Canada	KNAV Professional Corporation	28.03.2018

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 Institutional 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 2023-24.

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. 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 Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority

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 Securities and Exchange Board of India / 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 SEBI (LODR) 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, 2024, is as follows:

(₹ In Lakhs)

Fees for audit and related services paid to S.R. Batliboi & Associates LLP	80
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.	9
Total fees	89

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 complaint.

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 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 on March 31, 2024. 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/>.

P. 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 2023-24, where the Board had not accepted any recommendations of any Committees of the Board which is mandatorily required.

Q. Management Discussion and Analysis

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

R. General Shareholder Information

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

S. Disclosure by Senior Management Personnel

The senior management of the Company has made disclosures to the Board confirming that there are no material, financial and commercial transactions where they have personnel interest that may have a potential conflict of interest with the Company at large.

T. Disclosure of certain types of agreements binding listed entities

The Company has not received any intimation/ notification concerning agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity.

U. Compliance with corporate governance requirements and Practicing 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.

V. Details of compliance with mandatory requirements and Adoption of Non-Mandatory Requirements

The Company is compliant to all the mandatory requirements of SEBI (LODR) Regulations, 2015 for the Financial Year 2023-24.

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 had appointed Mr. Anil Singhvi as the Chairman of the Company at its Board Meeting held on May 25, 2017. Mr. Anil Singhvi, Non-Executive Non-Independent Director, (being liable to retire by rotation) was re-appointed at the 29th Annual General Meeting of the Company held on September 29, 2023. 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, earnings call 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: May 10, 2024

For Subex Limited

Nisha Dutt
Managing Director & CEO
DIN: 06465957
Place: Bengaluru
Date: May 10, 2024

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 Sir / Madam,

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, 2024 and to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D) We have indicated to the auditors and the Audit Committee
 - i) Significant changes in internal control, if any, over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting wherever needed.

For Subex Limited

Nisha Dutt
Managing Director & CEO

Date: May 10, 2024
Place: Bengaluru

For Subex Limited

Sumit Kumar
Chief Financial Officer

Date: May 10, 2024
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 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl No.	Name of the Director	DIN	Designation
1.	Anil Chandanmal Singhvi	00239589	Chairman, Non-Executive & Non-Independent Director
2.	Poornima Kamalaksh Prabhu	03114937	Non-Executive Independent Director
3.	Bottolanda Archana Muthappa	10264231	Non-Executive Independent Director
4.	George Zacharias	00162570	Non-Executive Independent Director
5.	Rupinder Goel	02693178	Non Executive Independent 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: 10th May, 2024
Place: Mangalore
UDIN No: F007834F000344115

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, 2024.

For Subex Limited

Nisha Dutt
Managing Director & CEO

Place: Bengaluru
Date: May 10, 2024

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1: Corporate Identity Number (CIN) of the Listed Entity	L8510KA1994PLC016663
2: Name of the Listed Entity	Subex Limited
3: Year of incorporation	1994
4: Registered office address	Pritech Park-SEZ, Block-9, 4 th 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, 4 th 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	080 37451377
8: Website	https://www.subex.com/
9: Financial year for which reporting is being done	Financial Year 2023-2024
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: 080 37451377 Email: investorrelations@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.
14: Name of assurance provider	Not applicable
15: Type of assurance obtained	Not applicable

II. Products/services

16. 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%

17. 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	70%
2	Managed services	62099	11%
3	Support services	62099	10%
4	Implementation and customisation	62099	6%
5	Support services	62099	2%
6	Sale of license	62099	1%

III. Operations

18. 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

19. 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?

97%

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

20. 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)	645	432	67.0%	213	33.0%
2	Other than Permanent (E)	26	13	50.0%	13	50.0%
3	Total employees (D + E)	671	445	66.3%	226	33.7%
WORKERS						
4	Permanent (F)	0	0	0	0	0
5	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

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	5	2	40.0%
Key Management Personnel	3	1	33.3%

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

	FY- 2024 (Turnover rate in current FY)			FY- 2023 (Turnover rate in previous FY)			FY- 2022 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	33.9%	30.6%	32.8%	42.1%	32.3%	39.0%	40.8%	43.5%	41.6%
Permanent Workers	0	0	0	0	0	0	0	0	0

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

23. (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

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

No.

(ii) Turnover (in ₹)

₹ 269.01 Crores

(iii) Net worth (in ₹)

₹ 213.88 Crores

VII. Transparency and Disclosures Compliances

25. 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- 2024 Current Financial Year			FY- 2023 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.sebi.gov.in/scores-home	17	0	-	36	0	-
Employees and workers	Yes. https://www.subex.com/pdf/investors/Corporate-Governance/Subex-Global-Whistle-blowing-Policy.pdf .	1	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						

26. 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	Data Privacy And Security	Risk	Safeguarding of the enterprise data and also to fulfil the contractual responsibility to customers. The increasing landscape of data privacy laws across the globe also possess a risk of penalties on non-compliances and reputational loss.	Enhanced cyber security measures like robust processes, policies, and awareness and sensitization program. Also implemented Passwordless authentication and implemented security tools to improve the cybersecurity Posture.	Positive

2	Changing expectations of workplace	Opportunity / Risk	Opportunity - Emphasizing employee well-being and mental health initiatives creates a supportive work environment, fostering higher levels of engagement and loyalty. - Utilizing advanced collaborative tools and platforms can enhance teamwork and communication, leading to greater innovation and more efficient project execution. Risk - Managing a remote or hybrid workforce requires new strategies and tools to ensure accountability and productivity. Ineffective management can lead to decreased performance and employee dissatisfaction.	Periodic employee connects enables collaboration and reduces disengagement	Positive
3	Health & Safety	Opportunity / Risk	The Company's emphasis on providing safe environment may impact cost, time and availability	Periodic awareness to employees on health and safety. Organizing safety camps for employee well being	Negative
4	Ethical And Transparent Business Conduct	Risk	Ethical behaviour is critical for the success of all companies and any such unethical behaviour will be risks, which can result in reputation loss and damage to stakeholder trust and business disruption.	Periodical internal reviews, audit and presentations on changes introduced by regulators.	Negative

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 Managing Director & 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									Annually								
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									Annually								

	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. Subex is certified for ISO 9001:2015 and ISO 27001:2013								
12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:	All principles are covered by the policies								
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/ No)									
Any other reason (please specify)									

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	Every new employee joining the company must undertake mandatory trainings on Anti-Bribery, Prevention of Sexual Harassment at Workplace, Data privacy and confidentiality .		
Workers	Not Applicable		

Note: All the principles laid down in this Report are covered in the Company's Code of Conduct which is mandatorily adhered to by all employees of the Company.

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):

The following are the details of the fines paid to National Stock Exchange and The BSE Limited with respect to non-compliance of Regulation 17(1) of Securities and Exchange Board of India (Listing obligations and Disclosure Requirements), Regulations, 2015

Monetary

SI No	NGRBC Principle	Name of the Regulator / Enforcement Agencies / Judicial institutions	Amount in INR	Brief of the case	Has appeal been preferred? (Yes / No)
Penalty	Refer to the Company's website for all disclosures made under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at https://www.subex.com/investors/announcement-filing/#disclosures				
Settlement					
Compounding Fee					

Non-Monetary

SI No	NGRBC Principle	Name of the Regulator / Enforcement Agencies / Judicial institutions	Amount in INR	Brief of the case	Has appeal been preferred? (Yes / No)
Imprisonment	NIL				
Punishment	NIL				

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.

NIL

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

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024 (Current Financial year)	FY 2023 (Previous Financial year)
No of days of Accounts payable	141	179

9. Open-ness of business

Details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metric	FY 2024 (Current Financial year)	FY 2023 (Previous Financial year)
Concentration of Purchases	Purchases from trading houses as % of total purchases	NIL	NIL
	Number of trading houses where purchases are made from	NIL	NIL
	Purchases from top 10 trading houses as % of total purchases from trading houses	NIL	NIL
Concentration of Sales	Sales to dealers / distributors as % of total sales	NIL	NIL
	Number of dealers / distributors to whom sales are made	NIL	NIL
	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NIL	NIL
Share of RPTs in	Purchases (Purchases with related parties / Total Purchases)	75.31%	74.19%
	Sales (Sales to related parties / Total Sales)	71.13%	75.52%
	Loans & advances (Loans & advances given to related parties / Total loans & advances)	0.00	0.00
	Investments (Investments in related parties / Total Investments made)	94.91%	97.77%

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

- 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

- Does the entity have procedures in place for sustainable sourcing? If yes, what percentage of inputs were sourced sustainably?

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.

- 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.

- 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**

- 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	432	432	100%	432	100%	0	0%	432	100%	0	0%
Female	213	213	100%	213	100%	213	100%	0	0%	0	0%
Total	645	645	100%	645	100%	213	33.0%	432	67.0%	0	0%
Other than Permanent employees											
Male	13	1	7.69%	0	0%	0	0%	0	0%	0	0%
Female	13	6	46.15%	0	0%	0	0%	0	0%	0	0%
Total	26	7	27%	0	0%	0	0%	0	0%	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	Not Applicable										
Female	Not Applicable										
Total	Not Applicable										
Other than Permanent workers											
Male	Not Applicable										
Female	Not Applicable										
Total	Not Applicable										

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent)

	FY 2024 (Current Financial year)	FY 2023 (Previous Financial year)
Cost incurred on wellbeing measures as a % of total revenue of the company	0.63%	0.65%

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

Benefits	FY-2024 Current Financial Year			FY-2023 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	96.1%	Not applicable	Y	89.1%	Not Applicable	Y
Gratuity	96.1%	Not Applicable	Y	89.0%	Not Applicable	Y
ESI						Not Applicable
Other (Please specify)						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. The weblink is <https://www.subex.com/privacy-policy/#equal-opportunity-policy>

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-2024 Current Financial Year					FY-2023 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	432	432	100%	432	100%	461	461	100%	461	100%
Female	213	213	100%	213	100%	216	216	100%	216	100%
Total	645	645	100%	645	100%	677	677	100%	677	100%
Workers										
Male	Not Applicable									
Female	Not Applicable									
Total	Not Applicable									

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

Category	FY-2024 Current Financial Year			FY-2023 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	432	432	100%	461	461	100%
Female	213	213	100%	216	216	100%
Total	645	645	100%	677	677	100%
Workers						
Male	Not Applicable					
Female	Not Applicable					
Total	Not Applicable					

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-2024 Current Financial Year			FY-2023 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

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

Category	FY-2024 Current Financial Year			FY-2023 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	645	645	100%	677	677	100%
Other than Permanent	26	26	100%	84	84	100%
Total Employees	671	671	100%	761	761	100%
Workers						
Permanent	Not Applicable					
Other than Permanent	Not Applicable					
Total Workers	Not Applicable					

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

Category	FY-2024 Current Financial Year					FY-2023 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	432	0	0%	432	100%	461	0	0%	461	100%
Female	213	0	0%	213	100%	216	0	0%	216	100%
Other than Permanent										
Male	13	0	0%	13	100%	49	0	0%	49	100%
Female	13	0	0%	13	100%	35	0	0%	35	100%
Workers										
Permanent										
Male	Not Applicable									
Female	Not Applicable									
Other than Permanent										
Male	Not Applicable									
Female	Not Applicable									

- Details of remuneration/salary/wages:

- Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	3	Not Applicable*	2	Not Applicable*
Key Managerial Personnel	2	₹ 6.46 Mn	1	₹ 17.30 Mn
Employees other than BoD and KMP	430	₹ 0.97 Mn	212	₹ 0.72 Mn
Workers	Not Applicable			

*Remuneration of Executive Directors are considered for median calculation.

- b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY-2024 Current Financial Year	FY-2023 Previous Financial Year
Gross wages paid to females as % of total wages	27%	22%

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 grievance redressal mechanisms guided by our global grievance policy.

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

	FY-2024 Current Financial Year			FY-2023 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. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY-2024 Current Financial Year	FY-2023 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. 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 any form of harassment. Subex has policies in place which covers its employees against inhuman practices. Few policies which are in place include Prevention of Sexual Harassment at Workplace, Grievance policy, Equal Employment etc.

These policies are applicable to all our employees across all locations and all our affiliates.

9. 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.

10. 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%

11. 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-2024 Current Financial Year	FY-2023 Previous Financial Year
From renewable sources		
Total electricity consumption (A)	1098.6 GJ	151.20 GJ
Total fuel consumption (B)	0 GJ	0 GJ
Energy consumption through other sources (C)	0 GJ	0 GJ
Total energy consumed from renewable sources (A+B+C)	1098.6 GJ	151.20 GJ
From non-renewable sources		
Total electricity consumption (D)	2563.4 GJ	352.80 GJ
Total fuel consumption (E)	81.03 GJ	957.25 GJ
Energy consumption through other sources (F)		
Total energy consumed from non-renewable sources (D+E+F)	2644.43 GJ	1310.05 GJ
Total energy consumed (A+B+C+D+E+F)	3743.03 GJ	1461.25 GJ
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumption/ turnover in rupees adjusted for PPP)	1.39 GJ/Mn	0.53 GJ/Mn
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

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-2024 Current Financial Year	FY-2023 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	4800	4500
(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)	4800	4500
Total volume of water consumption (in kilolitres)	4800	4500
Water intensity per rupee of turnover (Water consumed / turnover)	1.78 Kl/Mn	1.64 Kl/Mn
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	1.78 Kl/Mn	1.64 Kl/Mn
Water intensity in terms of physical output	NA	
Water intensity (optional) – the relevant metric may be selected by the entity	NA	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Details related to water discharged:

Parameter	FY-2024 Current Financial Year	FY-2023 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
1. To Surface water - No treatment - With treatment – Please specify the level of treatment	NA	NA
2. To Groundwater - No treatment - With treatment – Please specify the level of treatment	NA	NA
3. To Sea Water - No treatment - With treatment – Please specify the level of treatment	NA	NA
4. Sent to third Parties - No treatment - With treatment – Please specify the level of treatment	NA	NA
5. Others - No treatment - With treatment – Please specify the level of treatment	NA	NA
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

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

Not Applicable

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

Not Applicable

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

Parameter	Unit	FY-2024 Current Financial Year	FY-2023 Previous Financial Year
Total Scope 1 Emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	0.22	66.91
Total Scope 2 Emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	2.68	100.10
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO ₂ e/INR Mn	0.001	0.061
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO ₂ e/INR Mn	0.001	0.061
Total Scope 1 and Scope 2 emission intensity in terms of physical output	NA		
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

8. 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.

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

(a) Total Waste generated (in metric tonnes)

Parameter	FY-2024 Current Financial Year	FY-2023 Previous Financial Year
Total Waste generated (in metric tonnes)	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.	
Plastic waste (A)		
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)		

Parameter	FY-2024 Current Financial Year	FY-2023 Previous Financial Year
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0	0
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0	0
Waste intensity in terms of physical output	0	0
Waste intensity (optional) – the relevant metric may be selected by the entity	0	0
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i) Re-cycled	0	0
ii) Re-used	0	0
iii) Other recovery operations	0	0
Total	0	0
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
i) Incineration	2952	2755.20
ii) Landfilling	0	0
iii) Other disposal operations	0	0
Total	2952	2755.20

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

10. 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.

11. 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

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

Not Applicable

13. 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.

1

- 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. 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.

A mechanism is in place to interact with community leaders to understand and address their concerns, if any. 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-2024 Current Financial Year	FY-2023 Previous Financial Year
Directly sourced from MSMEs/ small producers	6	9
Sourced directly from within the district and neighbouring districts	Data not available	Data not available

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY-2024 Current Financial Year	FY-2023 Previous Financial Year
Rural	NIL	NIL
Semi-urban	NIL	NIL
Urban	99.70%	99.74%
Metropolitan	NIL	NIL

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

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

- 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.

- 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

- Number of consumer complaints in respect of the following:

	FY-2024 Current Financial Year			FY-2023 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	-

- 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.

- 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.

- 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.

NIL. However, we have improved by monitoring and ensuring the cybersecurity posture is better by implementing new monitoring technologies and increasing the cybersecurity score.

- Provide the following information relating to data breaches:

- Number of instances of data breaches : NIL
- Percentage of data breaches involving personally identifiable information of customers : NIL
- Impact, if any, of the data breaches : NIL

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

Subex is a telecom AI solutions company enabling Communications Service Providers (CSP) across the globe to create connected experiences for their customers. Founded in 1994, Subex has spent over 25 years helping CSPs maximize their revenues and profitability. With a legacy of having served the market through its world-class solutions for business optimization and analytics, Subex is now leading the way by leveraging AI to create connected experiences in the business ecosystems of its customers. Through their HyperSense line of offerings, Subex empowers communications service providers and enterprise customers to make faster, better decisions by leveraging AI across the data value chain. Subex leverages its award-winning product portfolio in areas such as Business Assurance and Fraud Management to help CSPs reduce risk, combat fraud, and thereby ensure profitability. Subex also offers scalable Managed Services and Business Consulting services. Subex has more than 300 installations across 90+ countries.

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.

Key Trends Shaping the Future of Telecommunications

5G: The Catalyst for Telco Transformation

5G's rapid global expansion is revolutionizing the telecommunications industry, extending far beyond faster speeds. For telcos, 5G is a strategic imperative, opening new revenue streams, particularly in the B2B sector. It enables massive IoT deployments and ultra-reliable low-latency communication, positioning telcos as key partners in the digital transformation of industries like manufacturing, logistics, and healthcare. 5G is also driving the development of edge computing, enabling real-time applications and value-added services like cloud gaming and augmented reality. For consumers, 5G enhances mobile experiences and enables personalized, context-aware services. 5G is not merely a trend; it's a paradigm shift, transforming how telcos operate, innovate, and serve customers, ushering in a more connected, intelligent, and personalized future.

The Rising Threat of Fraud in the Digitalization Era

The increasing digitalization of the telecommunications industry, while enabling innovation and growth, also presents a significant challenge in the form of evolving fraud threats. As telcos embrace digital technologies to enhance customer experiences and streamline operations, they also open up new avenues for malicious actors to exploit.

The expanding digital landscape, including the proliferation of mobile devices, online transactions, and interconnected networks, creates a complex and ever-changing attack surface. Hackers are constantly developing new techniques to bypass security measures, steal sensitive information, and perpetrate financial fraud.

As telecom companies continue to adopt digital technologies and expand their online presence, they must remain vigilant in addressing these emerging fraud risks to safeguard their infrastructure, customer data, and financial assets.

Telcos Pivot Towards Enterprise Solutions

Telecommunications companies are strategically pivoting towards enterprise solutions, expanding their offerings beyond traditional connectivity services. This shift is driven by a dual purpose: to diversify revenue streams and to address the increasing demand for digital transformation across various industries.

Telcos are now providing businesses with a comprehensive suite of services, including cloud-based solutions, Internet of Things (IoT) applications, and robust, secure networks. By forging strategic partnerships with enterprises, telecom companies are positioning themselves as indispensable enablers of the digital economy, playing a pivotal role in shaping the future of business operations and innovation.

Cloud Transformation: Redefining the Telco Landscape

The telecommunications sector is experiencing a significant shift towards cloud transformation, particularly in core areas like network operations and billing systems. This transition is reshaping telcos into agile, resilient, and cost-efficient organizations, leveraging software and AI.

Industry forecasts predict that by 2025, almost a third of major telcos will depend on hyperscale cloud providers for their infrastructure. This shift not only optimizes operational efficiency but also fuels innovation, enabling telcos to swiftly deploy new services, scale resources on demand, and respond to market changes effectively. Cloud-based solutions are also fostering the development of advanced virtual assistants, hyper-personalized customer experiences, and predictive analytics. This transformation is propelling the telecommunications industry towards a more customer-centric, data-driven, and adaptable future.

Generative AI: The New Frontier in Telecommunications

The telecom industry is witnessing a transformative trend with the integration of generative AI. Beyond automating tasks, generative AI is reshaping the way telcos operate and innovate. It's enabling the creation of personalized marketing campaigns, generating realistic simulations for network optimization, and even automating customer service interactions with natural language processing.

This trend is enhancing operational efficiency, improving customer experiences, and unlocking new revenue streams. The adoption of generative AI in telecom is projected to grow exponentially, with the market expected to reach billions of dollars in the coming years. As telcos continue to explore the vast potential of this technology, we can expect even more innovative applications to emerge, further revolutionizing the industry.

OUR PORTFOLIO

Subex's portfolio is a comprehensive suite of AI-powered solutions designed to empower Communications Service Providers (CSPs) and enterprise customers in the telecommunications industry. Leveraging our award-winning expertise in Business Assurance and Fraud Management, Subex has integrated AI through our HyperSense platform to deliver cutting-edge solutions. These solutions help CSPs combat fraud, mitigate risks, and optimize their business operations, ultimately enhancing profitability. With a focus on creating connected experiences and leveraging AI across the data value chain, Subex enables its customers to make faster, better decisions, stay ahead of the curve, and thrive in the dynamic telecom landscape.

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. These offerings not only demonstrate Subex's commitment to staying at the forefront of technological innovation but also serve as a testament to

our dedication to empowering businesses with intelligent, data-driven decisions. HyperSense based solutions (listed further in this section) are poised to drive enhanced operational efficiencies, predictive insights, and proactive risk management, making them indispensable asset for any enterprise seeking to thrive in the era of AI transformation.

Business Assurance

HyperSense Business Assurance, a product of over 25 years of industry experience, is the telecom industry's most comprehensive AI/ML-powered solution. It empowers CSPs to proactively mitigate revenue leakages, assess business impacts in near real-time, and navigate dynamic risk landscapes. By enabling collaboration and knowledge management, HyperSense enhances risk mitigation and decision-making. Additionally, it provides AI-driven predictive and prescriptive business insights for CXOs across various verticals, solidifying its position as a trusted solution among CSPs.

Fraud Management

Built on 30 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.

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.

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**

Get a holistic view of your entire range of partner relationships, covering services such as voice, SMS, and data- manage roaming, routing, content settlements, as well as MVNO and other B2B relationships with our wholesale billing solution. We drive efficiencies into your businesses via process automation to gain operational insight to support critical decision-making activities and enable you to achieve a competitive advantage. It covers Interconnect Billing & Settlement, Reconciliation and Dispute Management, OBR, Route Optimization, Contract Lifecycle Management.

- **Enterprise Billing**

Subex offers a next-gen end-to-end enterprise billing system that provides unmatched rating and billing capabilities for CSPs. It's a converged billing platform that covers partner onboarding, subscription management, service agnostic rating, and billing to financial reporting.

- **Roaming Settlements**

Subex Roaming solution offers a 360-degree view of the roaming services and revenue management to improve profitability. It reduces the fraud possibility by removing the likelihood of paying high-cost traffic cost or lose inbound roaming revenue by supporting NRTRDE (Near Real-Time Roaming Data Exchange) and HUR (High Usage Report). Enhance customer experience and reduce churn by offering personalized services using customer information.

Sectrio

Sectrio is a leading industrial cybersecurity division specializing in the protection of industrial control systems and networks. It offers comprehensive end-to-end security solutions for OT/ICS and IIOT environments, including managed security services and cyber threat intelligence. Sectrio provides best-in-class vulnerability management, threat detection and remediation capabilities backed by one of the largest cyber threat intelligence gathering facilities in the world operational in over 85 cities across the world.

IDcentral (Identity Analytics)

IDcentral, a division of Subex, is at the forefront of the digital inclusion movement. We are making it exceptionally easy for any company to integrate and manage individual onboarding

processes. Our collaboration extends across diverse sectors such as telecommunications, banking, financial services, insurance, gaming, hospitality, etc. Our mission is clear: to revolutionize customer onboarding by reducing operational costs, decreasing fraud, and significantly enhancing the user experience. This is accomplished through our innovative suite of over 100+ APIs, designed for high efficiency and seamless integration.

IDcentral is not just facilitating a smoother onboarding experience; we are redefining it, ensuring it meets the exacting demands of today's digital economy. Through our innovative technologies and commitment to excellence, IDcentral represents a quantum leap forward in the digital transformation journey, empowering businesses worldwide to stay ahead in a rapidly evolving marketplace.

Consulting & Advisory Services

With over 25 years of telecom experience and a proven track record of successful strategy implementation, Subex is the ideal consulting and assessment partner for global telecom operators. Our expertise extends from strategy definition to execution, utilizing tools compliant with renowned industry standards like TM Forum and CFCA. These services include benchmarking and enhancing Business Assurance processes, identifying and addressing gaps in RAFM processes and technology, proactive risk management in revenue streams, optimizing business processes, ensuring smooth system transitions, assessing profitability across the service and product portfolio, and formalizing control measures for accurate revenue reporting.

Managed Services

Subex Managed Services drive outcome and protect revenues by enhancing customer experience, optimizing cost, quality, time-to-market, and capabilities. Leveraging robust technology, we offer flexible engagement models tailored to service providers' specific needs, delivering both strategic and tactical value, improving operational efficiency, service agility, and profitability. Service providers can choose from various options based on scope, BSS/OSS domains, and on-site support requirements.

Key Announcements in FY24

Tier-1 APAC Operator Embraces AI-based Fraud Management and Business Assurance Solutions Through Partnership with Subex

Subex won a deal with a leading telecom operator in Southeast Asia. This deal involved the deployment of Subex's state-of-the-art Business Assurance and Fraud Management solutions on HyperSense. The operator aimed to be a future-fit, leading telecom tech company at the forefront of digitalization in the region, and the partnership with Subex helped move them closer to that vision. By leveraging the advanced features of Subex's AI-based solutions, the operator significantly enhanced its assurance capabilities, catered to a wider spectrum of risks, and enhanced its operational maturity.

HyperSense Fraud Management now available on Google Cloud

Subex announced the general availability of its Fraud Management solution on Google Cloud. This collaboration combined Subex's extensive fraud management expertise with the unparalleled scalability, reliability, security, advanced analytics, and robust partner ecosystem offered by Google Cloud. This joint venture improved fraud prevention in the telecommunications industry.

Telcos seeking a comprehensive and advanced cloud platform could leverage Subex Fraud Management on Google Cloud to significantly enhance their fraud detection and prevention capabilities. With Google Cloud's scalability, fraud management systems handled ever-increasing volumes of data and transactions, adapted to dynamic fraud patterns, and seamlessly scaled resources as needed.

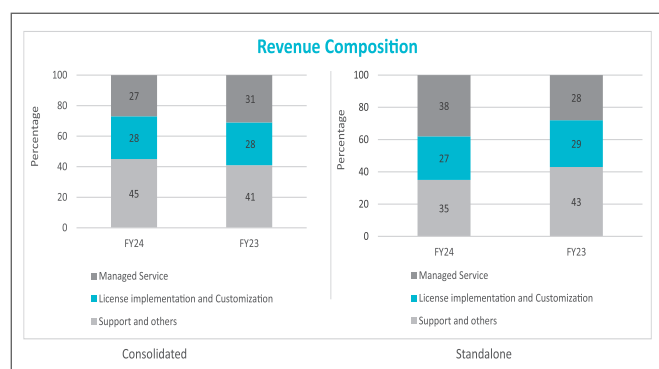
REVENUE MODEL

Our revenue generally comes from four streams: (1) licensing; (2) professional services related to installations and configuration activity; (3) annual support contracts; and (4) managed services.

We generally license our software products on per subscriber or per transaction basis. This means that when our customers experience growth, we can also expect to benefit from that growth. Typically, there are significant professional services revenues associated with each new software installation as well as with upgrades.

Our annual support contracts are generally priced as a function of the total license fees paid by the customer. Thus, our annual support contracts would also tend to experience growth when our customers experience growth. Importantly, annual support contract revenue tends to be recurring revenue.

Finally, we have been experiencing increasing success with managed service revenue. Like annual support contracts, managed services provides a relatively predictable recurring revenue stream. At the same time, our managed service offering provides us with an opportunity to maintain a continuous touch point with the customer so we can better understand their needs and we have opportunity to educate them on our offerings and skills.



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. In the fiscal year 2023-24, we continued to navigate through evolving risk landscapes. The year posed significant challenges akin to the global COVID-19 pandemic, which brought about unprecedented levels of uncertainty and ambiguity for businesses worldwide. Furthermore, echoes of the Ukraine-Russia conflict in 2022 reverberated through our operations, contributing to declined economic activity, disruptions in supply chains, and heightened levels of risk and uncertainty. These dynamic forces underscore the importance of our adaptive strategies and resilience in addressing emerging risks and ensuring sustained business performance. 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 communication 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, any conflicts has a significant impact on businesses around the world. The conflict may result 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 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 at several impacts on us. First, it will simply reduce the overall size of the market; each consolidation effectively reduces the number of potential customers for our products. Secondly, it can and does happen that one of our existing customers can undergo a consolidation. In that event, the other party to the consolidation may already have competing products and the combined company may choose to continue with the use of the competing product rather than use our products/services. Of course, it can also happen that the two companies, when combined, choose to use our products which may have a positive impact on our revenue. Another possibility is that two existing customer merge. The consolidation of two customers will have an adverse effect on our revenue as the combined company attempts to reduce their consolidated spending. Finally, larger customers simply have more negotiating power leading to reduced prices for our products. The Company strives to have a deep penetration within the accounts that it serves so as to provide an edge over competitors and be a preferred choice during such consolidations.

Dependence on the Communications Service Providers as our major customers

We mentioned above our customers are primarily CSPs. We are fully dependent on CSPs as our major customer base. As a result, we are fully susceptible to any downturns or negative changes in the CSP industry.

Security

You must be well aware that security threats are prevalent everywhere today. This is, perhaps, especially true in the technology industry where we participate. The security vulnerabilities take many forms. Hackers may attempt to compromise computer systems and networks. Fraudsters may attempt to steal the identity of our personnel to gain access to our computer systems, networks and even banking systems. Terror activity could have an adverse impact on our business. We may fail to adequately design our products leaving our customers exposed to hacking and other network vulnerabilities. Perhaps this concern – of failure to adequately design our products leading to exposure of our customer's information is one of the largest concerns. If one of our customers faced a security breach allegedly as a result of use of our products, it would cause significant reputational risk to us and may lead to claims against us.

We devote significant resources to mitigate security threats including threats to our internal IT systems, with respect to our products and with respect to physical security of our buildings. But there cannot be any guarantee that these efforts will avoid security breaches.

Improper disclosure of personal data could result in liability and harm our reputation

You are probably aware of the global trend towards more sensitivity regarding improper disclosure of personal data. This global trend has a number of impacts on us. There are additional

laws and regulations in many jurisdictions. This not only leads to increased administrative costs of compliance and increased difficulties in doing business but violations of these laws and regulations involve higher and higher fines and penalties. At the same time, we are storing and processing increasingly large amounts of personal data which leads to increased potential exposure.

We take what we consider to be appropriate steps to provide for the security and protection of all data including personal data. But, despite these efforts, it is possible our practices may not prevent the improper disclosure of personal data. Improper disclosure of this information could harm our reputation, lead to legal exposure, lead to claims against us by customers including claims for indemnification or subject us to liability under laws that protect personal data, resulting in increased costs or loss of revenue.

It is important to note that our potential liability for customer financial damages associated with losses of personal data is generally not limited by limitation of liability provisions in customer contracts.

In addition to risks related to improper disclosure of personal data, new laws and regulations are being implemented. One significant new regulation is the European General Data Protection Regulation ("GDPR") which went into full effect in May 2018. Compliance efforts related to these laws and regulations is significant and could be a distraction from other activities. Further, even without any actual improper disclosure of personal data, non-compliance could result in large fines. Still further, customer focus on these laws and regulations could delay or jeopardize sales and installations of Subex products.

Technology changes and obsolescence may impact our business

We experience rapid technological changes which could make our technology and services obsolete, less marketable or less competitive. These changes result in our need to continually improve the features, functionality, reliability and capability of our products which poses development challenges and expenses. We may not be able to adapt to these changes successfully or in a cost-effective way which may adversely affect our ability to compete and retain customers or market share.

While the rapid technological changes require us to change our products, launching new products is also a key element of our growth. An inability to bring new products with high demand to the market in a timely manner will reduce our growth and profitability.

We make strong efforts to put in place processes and methodologies to address these issues and to turn it into a strategic advantage by being in the forefront of technological evolution. For example, regular skill upgradation programs and training sessions that include attending global conferences and employing specialized consultants etc. are undertaken.

Recruiting and Retention of Personnel is challenging

Subex's talent acquisition strategy is to hire candidates with the right competencies required by the business at the right time, a judicious mix of lateral hires and fresh graduates. We are an equal opportunity employer and focus on meritocracy at all stages of hiring, strictly based on role-mapping career architecture.

We have a robust process to source and select the best talent, both for entry-level roles as well as lateral hires, 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 348 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 from premier institute.

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 through managed services.

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, thereby 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 the 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, 2024.

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 31 st March	2023-24		2022-23	
	Consolidated	Standalone	Consolidated	Standalone
Revenue from operations	30,972	26,901	27,869	27,352
Total Income	31,645	27,052	28,685	27,594
Earnings Before Interest, Exceptional Items & Taxes (EBIT)	(3,125)	(3,906)	(4,464)	(4,552)
Profit/(Loss) before Exceptional items & tax	(2,715)	(5,004)	(3,906)	(7,699)
Exceptional Items	14,795	14,795	-	-
Profit/(Loss) before tax	(17,510)	(19,799)	(3,906)	(7,699)
Tax expenses	1,663	1,526	1,215	(823)
Profit/ (Loss) after tax	(19,173)	(21,325)	(5,121)	(6,876)
Other comprehensive income	14	(1)	620	19
Equity dividend %	Nil	Nil	Nil	Nil
Share Capital	28,100	28,100	28,100	28,100
Reserves & Surplus	5,251	(6,712)	24,084	14,287
Net worth	33,351	21,388	52,184	42,387
Gross Property, Plant & equipment, right-of-use asset and other intangible assets	9,002	11,170	8,524	10,790
Net Property, Plant & equipment, right-of-use asset and other intangible assets	3,171	3,149	4,136	4,057
Total Assets	52,972	34,661	70,362	60,568

Key Financial Ratios (Consolidated)	2024	2023	Change
Return on Capital Employed (RoCE) %	(13.25%)	(15.94%)	(17%)
Return on Net Worth (RoNW)%	(44.83%)	(9.44%)	375%
Basic EPS (Rs/Share)	(3.47)	(0.93)	273%
Debtors' turnover (Days)	113	123	(8%)
Inventory turnover (Days)	NA		
Interest coverage ratio	(65.97)	(13.43)	391%
Current ratio	2.39	3.05	(22%)
Debt equity ratio	0.08	0.06	32%
Operating Profit Margin (%)	(5.06%)	(11%)	(54%)
Net Profit Margin (%) or sector-specific equivalent ratios, as applicable	(61.90%)	(18.38%)	237%
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)	2024	2023	Change
Return on Capital Employed (RoCE) %	(20.88%)	(17.20%)	21%
Return on Net Worth (RoNW)%	(66.88%)	(15.06%)	344%
Basic EPS (Rs/Share)	(3.86)	(1.25)	209%
Debtors' turnover (Days)	125	111	12%
Inventory turnover (Days)	Not Applicable		
Interest coverage ratio	(83.28)	(23.73)	251%
Current ratio	0.94	1.11	(16%)
Debt equity ratio	0.12	0.07	69%
Operating Profit Margin (%)	(13%)	(24%)	(44%)
Net Profit Margin (%) or sector-specific equivalent	(79.27%)	(25.14%)	215%
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, 2024, 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 2023-24.

Reserves and Surplus

Securities premium

On standalone and consolidated basis, the balance of security premium as on March 31, 2023, amounted to ₹ 16,584 lakhs. During the year 2023-24, ₹ 73 lakhs has been transferred to securities premium on exercise of share options by employees. As on March 31, 2024, the balance of security premium was ₹ 16,657 lakhs.

Retained Earnings

On a standalone basis, as on March 31, 2023, there was deficit balance in retained earnings amounting ₹ 6,722 lakhs. As on March 31, 2024, the deficit balance has increased to ₹ 28,048 Lakhs.

On a consolidated basis, as on March 31, 2023, there was surplus in retained earnings amounting ₹ 16,573 lakhs. As on March 31, 2024, there is deficit balance of ₹ 2,647 Lakhs.

Exchange differences on translating the financial statements of a foreign operation

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.

During the year 2023-24, the balance of Foreign Currency Translation Reserve of ₹ (10,661) Lakhs has been included in the Reserves and Surplus to bring it in line with Schedule III of the Act.

Total equity attributable to equity holders of the company

On a standalone basis, the total equity attributable to equity holders of the Company has decreased to ₹ 21,388 lakhs as on March 31, 2024 from ₹ 42,387 lakhs as on March 31, 2023.

On a consolidated basis, the total equity attributable to equity holders of the Company has decreased to ₹ 33,351 lakhs as on March 31, 2024 from ₹ 52,184 lakhs as on March 31, 2023. The movement was primarily on account of loss during the year.

Employee Stock Options Plan

Under the Subex Employees Stock Option Scheme-2018 Company has granted 12,00,000 options during the year ended March 31, 2024 as compared to NIL options during March 31, 2023. The net amount carried in respect of stock options outstanding on March 31, 2024 amounts to ₹ 343 Lakhs (Previous year: ₹ 444 Lakhs).

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

During the year, the Company added ₹ 601 Lakhs on consolidated basis and ₹ 480 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, 2024, the balance in right-of-use asset stands at ₹ 2,524 Lakhs on consolidated basis and ₹ 2,266 lakhs on standalone basis. Refer note 29 of consolidated financial statement and note 28 of standalone financial statement for further details.

Further, during the year, based on the valuation assessment carried out by an external expert in respect of carrying value of intangibles and considering the significant investment required to keep the pace with the transformation in telecom sectors, the management made an impairment provision of ₹ 29 Lakhs towards intangibles in the standalone financial statement. The same is disclosed as an exceptional item in the financial results for the year ended March 31, 2024.

The Company's net block of property, plant and equipment, right-of-use asset and other intangible assets was ₹ 3,171 Lakhs (Previous year ₹ 4,136 Lakhs) on consolidated basis and ₹ 3,149 lakhs (Previous year ₹ 4,057 lakhs) on standalone basis.

Goodwill

During the year, based on the valuation assessment carried out by an external expert in respect of carrying value of goodwill and considering the significant investment required to keep the pace with the transformation in telecom sectors, the management made an impairment provision of ₹ 14,795 lakhs towards such goodwill. The same is disclosed as an exceptional item in the financial results for the year ended March 31, 2024. The carrying value of goodwill post aforesaid impairment is dependent on the achievement of valuation assumptions as considered by the management which the management believes reasonably reflects the future growth and profitability of the Group.

On a consolidated basis, carrying value of goodwill as on March 31, 2024 stood at ₹ 19,614 lakhs (Previous year ₹ 34,409 lakhs).

Investments

During the year, based on the valuation assessment carried out by an external expert in respect of carrying value of investments in subsidiaries and considering the significant investment required to keep the pace with the transformation in telecom sectors, the management made an impairment provision of ₹ 14,766 Lakhs towards investments in subsidiaries (Subex Assurance LLP ₹ 13,830 lakhs and Subex Americas Inc ₹ 936 lakhs). The same is disclosed as an exceptional item in the financial results for the year ended March 31, 2024. The carrying value of investments in subsidiaries post aforesaid impairment is dependent on the achievement of valuation assumptions as considered by the management which the management believes reasonably reflects the future growth and profitability of the Company.

Further, during the year 2023-24, the Company withdrew ₹ 2,300 lakhs from its investment in Subex Assurance LLP.

On a standalone basis, the total investment value as on March 31, 2024 and as on March 31, 2023 stood at ₹ 17,616 Lakhs and ₹ 34,555 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, 2024, on a standalone

basis trade receivable amounted to ₹ 7,501 lakhs (previous year; ₹ 10,883 lakhs) net of provision for doubtful debts of ₹ 5,013 lakhs (previous year; ₹ 4,705 lakhs).

On a consolidated basis trade receivable amounted to ₹ 10,155 lakhs (previous year ₹ 9,037 lakhs) net of provision for doubtful debts of ₹ 4,604 lakhs (previous year ₹ 3,897 lakhs).

Cash and Cash Equivalents

On a standalone basis, balance in current, EEFC and deposit accounts stood at ₹ 1,072 lakhs as on March 31, 2024, as compared to ₹ 2,448 lakhs as on March 31, 2023.

On a consolidated basis, balance in current, EEFC and deposit accounts stood at ₹ 6,776 lakhs as on March 31, 2024 as compared to ₹ 5,238 lakhs as on March 31, 2023.

Borrowings

On a consolidated basis, short-term borrowings as on March 31, 2024 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 increased to ₹ 20,900 lakhs compared to previous year at ₹ 20,069 lakhs on consolidated basis. The increase on consolidated basis was mainly due to increase in sales commission offset by decrease in salaries & wages due to reduction in Head count.

Operating Profits

During the year, on consolidated basis, the Company earned an Operating Profit/(loss) before interest, depreciation, tax, amortization and exceptional items of ₹ (1,566) Lakhs being 5% of total revenue as against ₹ (3,065) Lakhs at 11% total revenue during the previous year. This is majorly due to increase in revenue in the current year.

On a standalone basis, the Company earned Operating profit / (loss) before Interest, depreciation, tax and exceptional items of ₹ (2,556) Lakhs (excluding other income and share of profit/loss from LLP's) being 9.5% of revenue from operations as against ₹ (3,365) Lakhs at 12.3% during the previous year. Decrease in loss is majorly on account of decrease in expenses during the year.

Interest

During the year ended March 31, 2024, company recognized interest expense totaling to ₹ 263 Lakhs (Previous year: ₹ 258 Lakhs) on a consolidated basis and ₹ 237 lakhs (Previous year: ₹ 230 Lakhs) on a standalone basis.

For the year ended March 31, 2024, expenditure includes interest on Lease liability recognized as per Ind AS 116, Leases amounting ₹ 241 Lakhs (Previous year ₹ 220 lakhs) and ₹ 226 Lakhs (Previous year ₹ 199 lakhs) on a consolidated and standalone basis respectively.

Depreciation

During the year ended March 31, 2024, depreciation expense amounted to ₹ 1,559 Lakhs (Previous year: ₹ 1399 Lakhs) on consolidated basis and ₹ 1,350 Lakhs (Previous year: ₹ 1,187 Lakhs) on standalone basis.

For the year ended March 31, 2024, depreciation and amortization include depreciation on right of use asset recognized as per Ind AS 116- Leases, amounting ₹ 1,006 Lakhs (Previous year ₹ 830 lakhs) and ₹ 825 Lakhs (Previous year ₹ 661 lakhs) on a consolidated and standalone basis respectively.

Tax Expense

For the year ended March 31, 2024, there was a tax expense of ₹ 1,526 lakhs (Previous year: tax reversal of ₹ 823 lakhs) on a standalone basis.

During the year ended March 31, 2024, tax expense include deferred tax charge of ₹ 1,147 lakhs and provision for foreign WHT of ₹ 379 lakhs.

On a consolidated basis, tax expense was ₹ 1,663 lakhs (previous year; ₹ 1,215 lakhs). Tax expense for the year March 31, 2024 includes tax charge of ₹ 75 lakhs (Previous year ₹ 89 lakhs), deferred tax charge of ₹ 836 lakhs (Previous year deferred tax credit ₹ 534 lakhs) and provision on Foreign tax credit of ₹ 752 lakhs (Previous year ₹ 1,660 lakhs).

Net Profit

On consolidated basis, the net loss of the Company amounted to ₹ 19,173 Lakhs as against a net loss of ₹ 5,121 Lakhs during the previous year. Total Comprehensive loss for the year is ₹ 19,159 Lakhs as compared to loss of ₹ 4,501 Lakhs during previous year.

On standalone basis, the net loss of the Company amounted to ₹ 21,325 lakhs as against net loss of ₹ 6,876 Lakhs during the previous year. Total Comprehensive loss for the year is ₹ 21,326 Lakhs as compared to total comprehensive loss of ₹ 6,857 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 ₹ (3.47) per share (Previous year: ₹ (0.93) per share) on a consolidated basis and loss of ₹ (3.86) per share [Previous year: ₹ (1.25) per share] on a standalone basis.

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

Subexians

"In FY24, we experienced a period of stabilization thereby embracing a hybrid work model. We aimed to empower all Subexians to work efficiently and productively throughout the year.

Our primary goal was to enrich the Subexian journey across various stages, including recruitment, onboarding, performance management, learning and development, and offboarding. As an organization, we take pride in ensuring a positive and meaningful experience for every Subexian.

With our workforce dispersed globally, our main office hubs are located in Bengaluru, London, Denver, Dubai, and Singapore. As of March 31, 2024, we employed 828 full-time Subexians worldwide.

Human Resources operations are centralized at our corporate headquarters in Bengaluru, supported by regional HR teams aligned with our global HR strategy. This function plays a crucial role in driving talent development initiatives, supporting the company's growth trajectory.

Our current HR policies remain in place, including hybrid working model, loans, sabbaticals, certifications, and team outings, all designed with the employee's well-being in mind. Recognizing the prevalence of remote work as the new norm, we continue to adapt to evolving work trends."

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. Addressing this need, we frequently update the 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 with up-to-date information.

Key hires for the year

In the past twelve months, we've strategically recruited several seasoned executives from the industry to drive our growth strategy and propel Subex to new heights. At the helm, Nisha Dutt has assumed the role of CEO, leading our organizational direction. Additionally, Harsha R Angeri has come on board as VP Corporate Strategy & Head AI Business and Girish Bhat as Global Head of Sales. This realignment at the top reflects our commitment to fortifying our leadership team and positioning Subex for continued success.

Recruitment

The recruitment team demonstrated adaptability by conducting both virtual and in-person interviews to accommodate the hybrid work environment. To enhance the rigor and effectiveness of our recruitment efforts, we implemented measures aimed at quantifying the impact on workforce growth and quality.

We continued to leverage established processes such as utilizing social media platforms and participating in industry events to stay abreast of industry trends. Achieving a 100% Turnaround Time (TAT) in hiring key global talent last year underscored our commitment to meeting growth objectives promptly.

Furthermore, we successfully executed our campus recruitment and internship programs, recognizing the importance of bringing fresh perspectives and innovative thinking into Subex. These initiatives ensure that we continue to evolve and thrive in a dynamic business landscape.

Subexian Onboarding

Subex onboarding process remains highly regarded and valued, characterized by its robustness and comprehensiveness aimed at delivering an exceptional day-one experience. Emphasizing efficiency, all paperwork is completed online before the joining date, significantly reducing the time required for new joiners to settle into Subex.

Our onboarding efforts extend beyond the initial day, with quantifiable processes in place to guide new joiners through their 30-60-90 training plan. Regular polls and interventions are conducted to gauge employee engagement and ensure alignment with organizational goals. Following structured training sessions, new joiners receive on-the-job training to reinforce and apply the knowledge and skills acquired during their initial training period. This holistic approach ensures that new employees are well-equipped to contribute effectively to Subex from the outset.

Performance Management

Throughout this year, our emphasis remained on fostering and nurturing high performance to cultivate a culture of meritocracy. Collaborating closely with business leaders, the HR Business Partnering team spearheaded various high performance initiatives aimed at recognizing and rewarding exceptional performers. These programs involved offering enhanced roles and incentive benefits to individuals who consistently demonstrated outstanding performance. By championing meritocracy, we aim to not only motivate our employees but also drive sustained organizational success through the cultivation of top talent.

Learning & Growth

Learning and development remains an ongoing endeavor aimed at aligning the skills of our workforce with the strategic objectives of the business. To ensure a unified and comprehensive learning experience for all Subexians, we have endeavored to consolidate all learning initiatives under one platform.

Building upon the successful programs and initiatives from the previous year, such as the skill/competency matrix, we have further refined our approach to learning by implementing a more focused and curated curriculum. This includes a combination of external and internal training sessions tailored to specific groups and segments within Subex.

One notable initiative is the Mentorship and Management Development Program, which received active engagement from

the leadership team at Subex. By providing targeted learning opportunities, we aim to empower our employees with the skills and knowledge necessary to excel in their roles and drive organizational success.

Rewards & Recognition

Reward and recognition are integral components of fostering a positive and motivated work environment. They serve as powerful tools for managers and leaders to acknowledge and appreciate the hard work and accomplishments of their employees. At Subex, we have recently revitalized our rewards and recognition program, incorporating additional features to streamline and enhance the process, thereby fostering a culture of appreciation and acknowledgment.

While implementing a recognition program incurs costs, the benefits are substantial. Some advantages include:

- Encourages the repetition of desired behaviors, aligning individuals with organizational goals.
- Enhances employee job satisfaction.
- Promotes team spirit and camaraderie.
- Improves retention rates: Employees who feel valued and recognized are more likely to remain with the organization.
- Reduces turnover rates, serving as a retention tool.
- Bolsters the employer brand, showcasing the organization as an attractive place to work.
- Complements HR processes, aiding in meeting learning and development goals.

In addition to ongoing initiatives we have introduced Subexian profiling platforms through our internal communications channels. These platforms celebrate and communicate the contributions of Subexians across the organization, further reinforcing our culture of recognition and appreciation.

Compensation

Employee retention is significantly influenced by compensation, and at Subex, we deeply understand its importance. We are dedicated to the growth and advancement of our employees and remain committed to investing in their well-being through a comprehensive approach.

When it comes to compensation, we take a holistic view at Subex, offering a balanced combination of fixed salary, variable salary, benefits, health and disability insurance, and employee assistance programs. Our aim is to ensure that our compensation packages are competitive and aligned with industry standards.

To achieve this, we continually monitor industry trends and benchmarks, striving to maintain a fair and balanced compensation structure. Our process involves conducting thorough job matching, data validation, and quality audits to determine the appropriate salary bands for Subexians. By adopting this meticulous approach, we aim to provide our employees with compensation packages that reflect their skills, contributions, and market value.

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, 2024, the Standalone statement of Profit and Loss, including the statement of Other Comprehensive loss, the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material 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, 2024, its loss including other comprehensive 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, 2024. These matters were addressed in the context of our audit of the standalone 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 2(b), 2(i) and 5 to the accompanying standalone Ind AS financial statements)	
As at March 31, 2024, the net carrying value of investment in wholly owned subsidiaries in the standalone Ind AS balance sheet amounts to ₹ 16,720 lakhs (net of impairment). Certain subsidiaries have been incurring losses leading to erosion of net worth whereby the carrying value of the investment in these subsidiaries as at March 31, 2024, is higher than these entities net worth. The determination of recoverable amounts of the Company's investments in these subsidiaries relies on management's estimates of future cash flows and their judgment with respect to these entities' performance. To assess if there is an impairment of the carrying value of investment, management conducts 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.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: - We assessed whether the Company's accounting policy with respect to impairment is in accordance with Ind AS 36 "Impairment of assets." - We have carried out assessment of forecasts of future cash flows prepared by the management, evaluating the assumptions and comparing the estimates to externally available industry, economic and financial data; - We have also assessed the valuation methodology and the key assumptions adopted in the cash flow forecasts with the support of our in-house valuation experts; - We also assessed the recoverable value headroom by performing sensitivity testing of key assumptions used.

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. 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. Due to the uncertainty of forecasting and discounting future cash flows, being inherently subjective, the level of management's judgement involved and the significance of the Company's investment as at March 31, 2024, we have considered this as a key audit matter.	• We discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate whether the inputs and assumptions used in the cash flow forecasts were appropriate. • We discussed with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same to assess their reasonableness; • We tested the arithmetical accuracy of the financial projection model; • We assessed the Company's disclosures concerning this in Note 2(b) on significant accounting estimates and judgements and Note 5 pertaining to the disclosures of investment in subsidiary to the accompanying standalone Ind AS financial statements.
Evaluation of key tax matters (as described in note 2(b), 2(r), 2(s) and 33 to the accompanying 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 Ind AS financial statements, which have been a matter of significance during the audit and hence considered as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • 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; • 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; • We obtained details of tax assessments, demands issued by tax authorities, orders/notices received with respect to ongoing litigations from the management; • We evaluated appropriateness of assumptions made by the Company in estimating the current and deferred tax balances; • We involved tax specialists to review the status of tax assessments and management's position in relation to ongoing disputes regarding likelihood assessment of exposure carried out by the management; and • We assessed the Company's disclosures concerning this in Note 2(b) on significant accounting estimates and judgements and Note 33 pertaining to the disclosures of contingent liability to the accompanying standalone Ind AS financial statements.
Revenue recognition (as described in note 2(b), 2(c) and 21 to the accompanying 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. In accordance with Ind AS 115, the company classifies its various contracts with customers and determines whether revenue should be recognized at "point in time" or "over the time" basis. There are various areas involving complexities, judgements and estimates involved in accounting for revenue recognized on "over the time" basis, including • Estimation of total costs/ efforts at inception and remaining costs/ efforts to completion, which is a critical factor in measuring progress of a contract and amounts of revenue to be recognized; and • Assessment of various risks emanating from operational delays, contract terms, changes in estimations and scope, accounting for onerous obligations, technical, legal, external environment etc. This requires the Company to estimate various costs to capture such risks.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We assessed the revenue recognition accounting policies by comparing with applicable accounting standards. • We tested key controls (both design and operating effectiveness) with respect to revenue recognition and related cost estimations. • We carried out analytical procedures on revenue recognized during the year ended to identify unusual variances. • We performed substantive testing by selecting samples of revenue transactions, recorded during the year ended by testing the underlying documents using statistical sampling. • We evaluated management's estimates (Total contract costs/ efforts and remaining costs/ efforts to completion) by performing analytical procedures on such estimates.

In view of the above and because the Company and its external stakeholders focus on revenue as a key performance indicator, we determined this area to be an area involving significant risk, an area of audit focus, and accordingly a key audit matter.	• We performed a retrospective review for contracts completed during the current year by comparing the final outcome of the contracts with previous estimates made for those contracts to assess the reliability of the management's estimation process. • We performed tests for completeness and appropriateness of actual cost booked in the correct period, by testing the underlying documents for samples selected using statistical sampling. • We assessed the Company's disclosures concerning this in Note 2(b) on significant accounting estimates and judgements and Note 21 pertaining to the disclosures of revenue from operations to the accompanying standalone Ind AS financial statements.
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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 Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management 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 loss, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors 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, 2024 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 to the extent applicable, 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, as stated in note 42 to the accompanying Standalone Ind AS financial statements as regards an application software wherein the backup in electronic mode has not been maintained on servers physically located in India on daily basis and for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended.
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph 2 (i) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended.
- (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, 2024 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 accompanying 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 and as disclosed in note 45(vi) to the accompanying Standalone Ind AS financial statements, 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 and as disclosed in note 45(vii) to the accompanying Standalone Ind AS financial statements, 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. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data when using certain access rights as described in note 43 to the standalone Ind AS financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where the audit trail has been enabled.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Sandeep Karnani**

Partner

Membership Number: 061207

UDIN: 24061207BKBJWC4578

Place of Signature: Bengaluru, India

Date: May 10, 2024

Annexure 1 referred to in paragraph under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date. Re: Subex Limited ('the Company')

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) 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 requirement to report on clause 3(i)(c) of the Order is 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, 2024.
- (e) As disclosed in note 45(i) to the accompanying standalone Ind AS financial statements, 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 require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As disclosed in note 45(iv) to the accompanying standalone Ind AS financial statements, 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 interest free loans/ advances in nature of loans to other parties (i.e. employees) as summarized below:

Particulars	Loans
Aggregate amount granted/provided during the year. - Others (i.e., employees)	₹ 84 Lakhs
Balance outstanding as at balance sheet date in respect of above cases. - Others (i.e., employees)	₹ 62 Lakhs

Other than the above, the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to companies, firms, Limited Liability Partnerships or any other parties.

- (b) The terms and conditions of the grant of all loans to other parties (i.e., employees) as stated in clause (iii)(a) above are not prejudicial to the Company's interest. During the year, other than above, the Company has not made investments, provided guarantees, provided security and granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Also refer note 5(i) as regards impairment of investments made in earlier years and note 6 as regards write-off of loans given to subsidiary already provided for in the earlier years.
- (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 and 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	Note	The amount given to the wholly owned subsidiary is written off 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 and has been written off in current year. Further, no interest is accrued in respect of these loans.

- (d) There are no amounts of loans or advances in nature of loans granted during the year, to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days except as referred in (iii)(c) above.
- (e) There were no loans or advances in nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties except as referred in (iii)(c) above.

- (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) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 ("the Act") are applicable have been complied with by the Company.
- (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.
- (b) The 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, and other statutory dues have not been deposited on account of any dispute, are as follows:

(in ₹ Lakhs)

Name of the statute	Nature of the dues	Disputed amount ⁴	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961 ¹	Income Tax	273	2014-15	Hon'ble High Court of Karnataka
		1,622	2013-14	Assessing officer ('AO')
			2013-14	Hon'ble High Court of Karnataka
		701	2012-13	Hon'ble High Court of Karnataka
		379 ²	2010-11	Assessing officer ('AO')
Finance Act, 1994 ³	Service tax	1,703	April 2006 to October 2007	Central Excise and Service Tax Appellate Tribunal, Bangalore
		7,215	April 2006 to July 2009	Commissioner of Service Tax, Bangalore
Karnataka Goods and Services Act, 2017	Goods and Service Tax	11	April 2018 to March 2019	Commissioner Appeals of Central Tax, Bangalore

- Tax paid under protest and refund of taxes of ₹ 2,909 lakhs have been adjusted against the aforesaid disputed dues.
 - 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.
 - The Company has paid ₹ 924 lakhs under protest during various years towards service tax.
 - Excludes interest and penalty from the date of the Order till March 31, 2024.
- (viii) As disclosed in note 45(viii) to the accompanying standalone Ind AS financial statements, 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) As disclosed in note 45(xi) to the accompanying standalone Ind AS financial statements, 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. Accordingly, 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 accompanying standalone Ind AS 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) 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 ventures. Hence, the requirement to report on clause 3(x)(f) of the Order is not applicable to the Company.
- (x) (a) 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) No fraud by the Company or no material 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 auditors as applicable in Form ADT – 4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) (a) 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) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the accompanying 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) 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) 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 3(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 3(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. 4,648 lakhs. In the immediately preceding financial year, the Company had incurred cash losses amounting to Rs. 3,552 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 accompanying 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) (a) The Company does not have any obligation to incur expenses in relation to Corporate Social Responsibility as disclosed in note 39 to the accompanying standalone Ind-AS financial statements. Accordingly, the requirement to report on clause 3(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 **Sandeep Karnani**

Partner

Membership number: 061207

UDIN: 24061207BKBJWC4578

Place of Signature: Bengaluru

Date: May 10, 2024

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 statements of Subex Limited ("the Company") as of March 31, 2024 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 Company's 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 controls 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 controls 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, 2024, 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 the ICAI.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Sandeep Karnani**

Partner

Membership Number: 061207

UDIN: 24061207BKBJWC4578

Place of Signature: Bengaluru

Date: May 10, 2024

STANDALONE BALANCE SHEET

as at March 31, 2024

(₹ in Lakhs)

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	512	715
Right-of-use assets	28	2,266	2,817
Intangible assets	4	371	525
Financial assets			
Investments	5	16,885	33,951
Other financial assets	10	680	653
Income tax assets (net)	11	2,909	2,941
Deferred tax assets (net) (including MAT credit entitlement)	12	136	1,283
Other non-current assets	13	74	41
		23,833	42,926
Current assets			
Financial assets			
Investments	5	731	604
Loans	6	62	88
Trade receivables	7	7,501	10,883
Cash and cash equivalents	8	1,072	2,448
Other balances with banks	9	109	2,112
Other financial assets	10	86	212
Other current assets	13	1,267	1,295
		10,828	17,642
Total assets		34,661	60,568
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	28,100	28,100
Other equity	15	(6,712)	14,287
Total equity		21,388	42,387
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	28	1,716	2,281
Provisions	19	31	74
		1,747	2,355

STANDALONE BALANCE SHEET (contd.)

as at March 31, 2024

(₹ in Lakhs)

	Notes	As at March 31, 2024	As at March 31, 2023
Current liabilities			
Financial liabilities			
Lease liabilities	28	819	685
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	16	98	141
- total outstanding dues of creditors other than micro enterprises and small enterprises	16	6,774	8,043
Other financial liabilities	17	2,691	5,724
Other current liabilities	18	864	825
Provisions	19	280	305
Income tax liabilities (net)	20	-	103
		11,526	15,826
Total liabilities		13,273	18,181
Total equity and liabilities		34,661	60,568
Corporate information and material accounting policies	1 & 2		
The accompanying notes are an integral part of the standalone financial statements			

As per our report of even date

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

per **Sandeep Karnani**
Partner
Membership No.: 061207

Place: Bengaluru, India
Date: May 10, 2024

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

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

Sumit Kumar
Chief Financial Officer

Place: Bengaluru, India
Date: May 10, 2024

Nisha Dutt
Managing Director &
Chief Executive Officer
DIN : 06465957
Place: Bengaluru, India

G V Krishnakanth
Company Secretary &
Compliance Officer

Place: Bengaluru, India

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

(₹ in Lakhs)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
1	Income		
	Revenue from operations	26,901	27,352
	Other income	151	242
	Total income	27,052	27,594
2	Expenses		
	Employee benefits expense	11,784	12,191
	Finance costs	237	230
	Depreciation and amortization expense	1,350	1,187
	Share of loss from Limited Liability Partnerships before exceptional items (net)	1,012	3,159
	Other expenses	17,673	18,526
	Total expenses	32,056	35,293
3	Loss before exceptional items and tax expense (1-2)	(5,004)	(7,699)
4	Exceptional items		
	Impairment of intangible asset	29	-
	Impairment of investment in subsidiary	936	-
	Share of loss from Subex Assurance LLP		
	Impairment of investment in subsidiary	13,830	-
	Total exceptional items	14,795	-
5	Loss before tax expense (3-4)	(19,799)	(7,699)
6	Tax expense (net):		
	Current tax charge	-	-
	Provision - foreign income taxes (net)	379	324
	Deferred tax charge / (credit)	1,147	(1,147)
	Total tax expense	1,526	(823)
7	Net loss for the year (5-6)	(21,325)	(6,876)
8	Other comprehensive (loss) / income ('OCI')		
	Items that will not be reclassified subsequently to profit or loss		
	Re-measurement (loss) / gain on defined benefit plans	(1)	19
	Income tax effect on above	-	-
	Total other comprehensive (loss) / income, net of tax expense	(1)	19
9	Total comprehensive loss for the year attributable to equity shareholders, net of taxes (7+8)	(21,326)	(6,857)
10	Earnings per equity share [(EPS) - nominal value of ₹ 5/- per share (March 31, 2023: ₹ 5 per share)]		
	Basic (₹)	(3.86)	(1.25)
	Diluted (₹)	(3.86)	(1.25)
	Corporate information and material accounting policies	1 & 2	
	The accompanying notes are an integral part of the standalone financial statements		

As per our report of even date

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

per **Sandeep Karnani**
Partner
Membership No.: 061207

Place: Bengaluru, India
Date: May 10, 2024

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

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

Sumit Kumar
Chief Financial Officer

Place: Bengaluru, India
Date: May 10, 2024

Nisha Dutt
Managing Director &
Chief Executive Officer
DIN : 06465957
Place: Bengaluru, India

G V Krishnakanth
Company Secretary &
Compliance Officer

Place: Bengaluru, India

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2024

(₹ in Lakhs)

		Year ended March 31, 2024	Year ended March 31, 2023
(A)	Cash flow from operating activities		
	Loss before tax expense	(19,799)	(7,699)
	Adjustments to reconcile loss before tax expense to net cash flows:		
	Depreciation of property, plant and equipment and right-of-use assets	1,225	1,062
	Amortization of intangible assets	125	125
	Employee share based payments expense	118	209
	Interest income (including fair value changes)	(122)	(118)
	Net gain on sale of investments (including fair value changes)	(26)	(41)
	Finance costs (including fair value changes)	237	227
	Allowance for expected credit loss / bad debts written off (net)	313	2,315
	Gain on disposal of property, plant and equipment	-	(2)
	Share of loss from Limited Liability Partnerships (net)	1,012	3,159
	Impairment of intangible assets and investment in subsidiary (refer note 4 & 5)	14,795	-
	Net foreign exchange differences	219	(178)
	Operating (loss) / profit before working capital changes	(1,903)	(941)
	Working capital adjustments:		
	(Increase)/ decrease in loans	26	(8)
	(Increase)/ decrease in trade receivables	2,843	3,709
	(Increase)/ decrease in other financial assets and other assets	1	(1,287)
	Increase/ (decrease) in trade payables	(1,307)	3,013
	Increase/ (decrease) in other financial liabilities	418	468
	Increase/ (decrease) in other current liabilities	39	13
	Increase/ (decrease) in provisions	(80)	(27)
		37	4,941
	Income tax paid (net of refund)	(450)	(396)
	Net cash flows (used in) / from operating activities	(413)	4,545
(B)	Cash flow from investing activities		
	Purchase of property, plant and equipment, other intangible assets and capital advances	(248)	(333)
	Proceeds from sale of property, plant and equipment	9	4
	Drawings from Limited Liability Partnerships	2,300	9,200
	Share of loss paid to Limited Liability Partnership	(4,295)	(1,185)
	Purchase of mutual funds (net of sale proceeds)	(101)	(563)
	Investments in equity instruments	-	(165)
	Investments in subsidiary	-	(225)
	Purchase consideration for business restructuring	-	(9,229)
	Net withdrawal/ (investment) in deposit account	2,011	-
	Interest received	90	63
	Net cash flows (used in) / from investing activities	(234)	(2,433)

STANDALONE STATEMENT OF CASH FLOWS (contd.)

for the year ended March 31, 2024

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
(C) Cash flow from financing activities		
Proceeds from exercise of employee stock options plans	203	101
Unclaimed dividend paid	(1)	-
Interest paid on lease liabilities	(226)	(199)
Repayment of principal portion of lease liabilities	(705)	(368)
Net cash flows (used in) / from financing activities	(729)	(466)
(D) Net (decrease) / increase in cash and cash equivalents (A+B+C)	(1,376)	1,646
Cash and cash equivalents at the beginning of the year	2,448	802
(E) Cash and cash equivalents at the end of the year (refer note 8)	1,072	2,448

Explanatory notes to standalone statement of cash flows

Changes in liabilities arising from financing activities:-

(₹ in Lakhs)

	Lease liability	Unclaimed dividend
As at April 1, 2022	38	28
Non cash changes		
Additions	3,296	-
Interest on lease liabilities	199	-
Cash flows	(567)	-
As at March 31, 2023	2,966	28
Non cash changes		
Additions	274	-
Interest on lease liabilities	226	-
Cash flows	(931)	(1)
As at March 31, 2024	2,535	27

Corporate information and material accounting policies (refer notes 1 & 2)

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

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

per **Sandeep Karnani**
Partner
Membership No.: 061207

Place: Bengaluru, India
Date: May 10, 2024

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

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

Sumit Kumar
Chief Financial Officer

Place: Bengaluru, India
Date: May 10, 2024

Nisha Dutt
Managing Director &
Chief Executive Officer
DIN : 06465957
Place: Bengaluru, India

G V Krishnakanth
Company Secretary &
Compliance Officer

Place: Bengaluru, India

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

A. Equity share capital (refer note 14):

	No.	(₹ in Lakhs)
Equity shares of ₹ 5 each, issued, subscribed and fully paid-up		
As at April 1, 2022	56,20,02,935	28,100
Issued during the year	-	-
As at March 31, 2023	56,20,02,935	28,100
Issued during the year	-	-
As at March 31, 2024	56,20,02,935	28,100

B. Other equity (refer note 15):

(₹ in Lakhs)

Particulars	Attributable to equity holders of the Company						
	Reserves and surplus						Total
	Capital reserve	Securities premium	General reserve	Employee stock options reserve	Treasury shares	Retained earnings	
As at April 1, 2022	2,776	16,558	1,787	267	(697)	135	20,826
Loss for the year	-	-	-	-	-	(6,876)	(6,876)
Other comprehensive income/ (loss)	-	-	-	-	-	19	19
Total comprehensive loss*	-	-	-	-	-	(6,857)	(6,857)
Employee share based payments expense (refer note 24 & 34)	-	-	-	232	-	-	232
On account of exercise of stock options	-	26	-	(22)	82	-	86
On account of vested options lapsed during the year	-	-	33	(33)	-	-	-
As at March 31, 2023	2,776	16,584	1,820	444	(615)	(6,722)	14,287
Loss for the year	-	-	-	-	-	(21,325)	(21,325)
Other comprehensive (loss)/ income	-	-	-	-	-	(1)	(1)
Total comprehensive loss*	-	-	-	-	-	(21,326)	(21,326)
Employee share based payments expense (refer note 24 & 34)	-	-	-	123	-	-	123
On account of exercise of stock options	-	73	-	(52)	183	-	204
On account of vested options lapsed during the year	-	-	171	(171)	-	-	-
As at March 31, 2024	2,776	16,657	1,991	344	(432)	(28,048)	(6,712)

*As required under Ind AS compliant Schedule III, the Company has recognised remeasurement gains/(losses) of defined benefit plans as part of retained earnings.

Corporate information and material accounting policies (refer notes 1 & 2)

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

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

per **Sandeep Karnani**
Partner
Membership No.: 061207

Place: Bengaluru, India
Date: May 10, 2024

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

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

Sumit Kumar
Chief Financial Officer

Place: Bengaluru, India
Date: May 10, 2024

Nisha Dutt
Managing Director &
Chief Executive Officer
DIN : 06465957
Place: Bengaluru, India

G V Krishnakanth
Company Secretary &
Compliance Officer

Place: Bengaluru, India

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

1. Corporate information

- (a) Subex Limited ("the Company" or "Subex") bearing corporate identification number ("CIN") L85110KA1994PLC016663, 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.
- (b) Effective November 1, 2017, the Company had 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.
- (c) Pursuant to approval of the Board of Directors and Shareholders of the Company for restructuring of the business, effective April 1, 2022, certain assets and liabilities of Subex Assurance LLP ("SA LLP"), wholly owned subsidiary, were transferred to the Company for an aggregate consideration of ₹ 9,229 Lakhs. The aforesaid

restructuring was being carried out to achieve higher operational efficiencies upon integration and consolidation of business in the listed entity. SA LLP continues to hold revenue maximisation solutions intellectual property rights ("IPR") & related research and development unit, investment in subsidiaries, cash and bank balances and other related balances. SA LLP earns royalty on use of such IPR by the Company.

Effective from April 1, 2022, SA LLP had transferred its assets and liabilities for a purchase consideration of ₹ 9,229 Lakhs:

These standalone financial statements for the year ended March 31, 2024, are approved by the Board of Directors on May 10, 2024.

2. Material accounting policies

a. Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements.

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 Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern.

The Standalone financial statements provide comparative information in respect of the previous period.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

b. Significant accounting estimates, assumptions and judgements

The preparation of the Company's standalone financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the disclosure of contingent assets and liabilities on the date of the standalone financial statements and other accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

Significant judgements and estimates relating to carrying values of assets and liabilities include revenue recognition, impairment of non-financial assets including investments and intangible assets, impairment of financial assets, fair value measurement of financial instruments, defined benefit plans (gratuity benefits), share-based payments, provision for expected credit losses of trade receivables and contract assets, taxes, contingencies, leases - determining the lease term of contracts with renewal and termination options.

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:

Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended 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 period in which such losses become probable based on the expected contract estimates at the reporting date.

Further, the percentage-of-completion method places considerable importance on accurate estimates to the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. This requires the Company to estimate various costs to capture

such risks, including liquidated damages and warranties. The Company re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Also, refer note 2(h).

Impairment of financial assets

In accordance with Ind AS 109, the Company assesses impairment of financial assets ("Financial instruments") and recognises expected credit losses, which are measured through a loss allowance.

The Company provides for impairment of investment in subsidiaries. Impairment exists when there is a diminution in value of the investment and the recoverable value of such investment is lower than the carrying value of such investment.

The Company provides for impairment of trade receivables and contract asset 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).

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. 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

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assumptions about these factors could affect the reported fair value of financial instruments. See Note 36 and 37 for further disclosures.

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. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 34.

Provision for expected credit losses of trade receivables and contract assets

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate

the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables and contract assets is disclosed in Note 37.

Taxes

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous assessments and interpretations of tax regulations by the Company.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. Refer note 33 for further disclosures.

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

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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. [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
- 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 is held 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 from contracts with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

The Company derives its revenues from sale and implementation of its proprietary software license and managed/ support services.

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

Revenue from subcontracting services to group entities/ related parties - Subcontracting services income is recognized as services are rendered, on the basis of an agreed percentage of contract price, in accordance with the agreement entered into with group entities.

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.

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 transaction price of services rendered.

Revenue from managed/ support services is recognized when the services are rendered in accordance with the terms of contracts over the period of the contracts.

Revenue from sale of hardware under reseller arrangements is recognized when control of the goods is transferred 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 maintenance 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

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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.

Contract balances

Contract assets: A contract asset is initially recognised for revenue from implementation and customisation services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section h.

Trade receivables: A trade receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies on impairment of financial assets in section h.

Contract liabilities: A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised 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 recognised 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 recognised 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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the standalone statement of profit and loss when the asset is derecognised.

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

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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. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any 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

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit and loss. The Company recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Financial Instruments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset (or CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the Company operates, or for the market in which the asset is used.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised.

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i. Equity investments in subsidiaries

A subsidiary is an entity that is controlled by another entity.

The Company's investments in its subsidiaries are classified as non-current investments and accounted at cost less impairment.

Impairment of investments:- The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is recorded in the standalone statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the Investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the Investment. A reversal of an impairment loss is recognised immediately in standalone statement of profit and loss.

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.

ij) 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. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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. 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 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

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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 financial liabilities are recognised when the Company becomes a party to the contract that gives rise to financial assets and liabilities. All financial assets and financial liabilities contracts are initially measured at transaction cost and where such values are different from the fair value, 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. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are immediately recognised in standalone statement of profit and loss.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price as disclosed in section 2.3.(d) Revenue recognition.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Investment in equity instruments issued by subsidiaries, associates are measured at cost less impairment.

Subsequent measurement

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. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

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Financial liabilities

Measurement

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and 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.

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial 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 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

The Company 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 Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

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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.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- i) Disclosures for valuation methods, significant estimates and assumptions
- ii) Quantitative disclosures of fair value measurement hierarchy
- iii) Investment in unquoted equity shares
- iv) Financial instruments (including those carried at amortised cost)

l. Borrowing costs

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). Further details are given in Note 34.

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 expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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 Securities premium. Share options exercised during the reporting period are adjusted with treasury shares.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

p. Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

Defined contribution plans

Retirement benefit in the form of provident fund and pension fund are defined contribution scheme. The Company has no obligation, other than the contribution payable. The Company recognizes contribution payable to provident fund and pension fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The cost of providing benefits under the defined benefit plans i.e. gratuity, is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the standalone Ind AS balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- a) The date of the plan amendment or curtailment, and
- b) The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b) Net interest expense or income.

Short-term employee benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. 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. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

Long-term employee benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

The Company presents the leave as a current liability in the standalone Ind AS balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

q. Foreign currencies

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.

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses average rate if the average approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

r. Taxes on income

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year.

Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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 tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the Ind AS financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred 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 tax asset to be utilized.

Deferred 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 relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

Minimum alternate tax (MAT) paid in a year is charged to the standalone statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the standalone statement of profit and loss and shown as part of deferred tax asset. 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

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits 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, provisions are 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.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because;

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
- the amount of the obligation cannot be measured with sufficient reliability.

The Company does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by- the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize the contingent asset in its standalone financial statements since this may result in the recognition of income that may never be realised. Where an inflow of economic benefits are probable, the Company disclose a brief description of the nature of contingent assets at the end of the reporting period. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and the Company recognize such assets.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

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 per share is calculated by dividing the net profit or loss attributable to equity holder of the Company by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

v. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the Standalone statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, are considered an integral part of the Company's cash management.

w. Exceptional Items

Exceptional Items represents the nature of transactions which are not in recurring nature during the ordinary course of business but lead to increase/ decrease in profit/ loss for the year.

x. Changes in accounting policies and disclosures:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 01, 2023.

i. Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments does not have material impact on the standalone financial statements of the Company

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

ii. Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

These amendments does not have material impact on the standalone financial statements of the Company.

iii. Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences

associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after April 01, 2023.

These amendments does not have material impact on the standalone financial statements of the Company

y. Standards notified but not yet effective

There are no standards that are notified and not yet effective as on the date.

z. Climate – related matters

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments.

2.1 Interest in significant investment in subsidiaries and associates as per Ind AS – 27

Name of the entity	Relationship as at		Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at		Date of incorporation	Country of incorporation/ Place of Business
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023		
Subex Americas Inc.	Subsidiary	Subsidiary	100%	100%	100%	100%	July 31, 1997	Canada
Subex Technologies Limited	Subsidiary	Subsidiary	100%	100%	100%	100%	March 28, 2005	India
Subex Assurance LLP	Subsidiary	Subsidiary	100%	100%	100%	100%	April 5, 2017	India
Subex Digital LLP	Subsidiary	Subsidiary	100%	100%	100%	100%	April 5, 2017	India
Subex Account Aggregator Services Private Limited	Subsidiary	Subsidiary	100%	100%	100%	100%	May 09, 2022	India

Note:

1. Disclosure of financial data as per Ind AS – 112 'Disclosure of Interests in Other Entities' has been done based on the financial statements for the respective periods provided to us by the management.
2. The above disclosure made do not include step down subsidiaries and associates and are with respect to subsidiaries and associates existing as at March 31, 2024.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

3. Property, plant and equipment

(₹ in Lakhs)

	Computer equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Office equipment	Total
Cost						
As at April 1, 2022	119	1	2	9	4	135
Additions	296	5	24	69	4	398
Additions on account of restructuring [refer note 1(c)]	445	1	-	203	40	689
Disposals	-	-	(2)	-	-	(2)
As at March 31, 2023	860	7	24	281	48	1,220
Additions	177	2	24	2	1	206
Disposals	(99)	-	-	-	(1)	(100)
As at March 31, 2024	938	9	48	283	48	1,326
Depreciation						
As at April 1, 2022	97	1	2	2	4	106
Charge for the year*	323	1	0	63	14	401
Disposals	-	-	(2)	-	-	(2)
As at March 31, 2023*	420	2	0	65	18	505
Charge for the year	313	1	5	69	12	400
Disposals	(90)	-	-	-	(1)	(91)
As at March 31, 2024	643	3	5	134	29	814
Net block						
As at March 31, 2023	440	5	24	216	30	715
As at March 31, 2024	295	6	43	149	19	512

* Depreciation charge for vehicles amounts to ₹ 11,870 which is presented as '0' due to rounding off.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

4. Intangible assets

(₹ in Lakhs)

	Intellectual property rights	Total
Cost		
As at April 1, 2022	6,078	6,078
Additions	-	-
Disposals	-	-
As at March 31, 2023	6,078	6,078
Additions	-	-
Disposals	-	-
As at March 31, 2024	6,078	6,078
Amortization and impairment*		
As at April 1, 2022	5,428	5,428
Amortization for the year	125	125
Disposals	-	-
As at March 31, 2023	5,553	5,553
Amortization for the year	125	125
Disposals	-	-
Impairment during the year*	29	29
As at March 31, 2024	5,707	5,707
Net block		
As at March 31, 2023	525	525
As at March 31, 2024	371	371

*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. Further during the year, based on the valuation assessment carried out in respect of carrying value of intangible assets and considering the significant investment required to keep the pace with the transformation in telecom sectors, the management made an impairment provision of ₹ 29 Lakhs towards aforesaid intangible assets, the same is disclosed as an exceptional item in the standalone statement of profit and loss for the year ended March 31, 2024. The carrying value of intangible assets post aforesaid impairment is dependent on the achievement of valuation assumptions as considered by the management which the management believes reasonably reflects the future growth and profitability of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

5. Investments

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Non-current Investments		
Investments carried at cost		
A. Investments in equity shares of wholly owned subsidiaries (unquoted equity instruments)		
100 (March 31, 2023: 100) equity shares fully paid-up, no-par value, in Subex Americas Inc. [Impairment on investment ₹ 77,496 Lakhs (March 31, 2023: ₹ 76,560 Lakhs)] ¹	-	936
50,00,000 (March 31, 2023: 50,00,000) equity shares of ₹ 10 each fully paid-up in Subex Technologies Limited [Impairment on investment ₹ 500 Lakhs (March 31, 2023: ₹ 500 Lakhs)] ³	-	-
2,250,000 (March 31, 2023: 2,250,000) equity shares of ₹ 10 each fully paid-up in Subex Account Aggregator Services Private Limited ³	225	225
	225	1,161
B. Investments in limited liability partnership firms ('LLP') (refer note 22)		
Investment in Subex Assurance LLP [Impairment on investment ₹ 30,638 Lakhs (March 31, 2023: ₹ 16,808 Lakhs)] ¹⁶²	14,626	30,756
Investment in Subex Digital LLP	1,869	1,869
	16,495	32,625
C. Investment carried at fair value through other comprehensive income⁴		
Investment in Privasapien Technologies Private Limited [(33,352 compulsory convertible preference shares of ₹ 2 each fully paid (March 31, 2023: 33,352 shares at 2 each)]	165	165
	165	165
Total Investments (A+B+C)	16,885	33,951
Aggregate amount of unquoted investments	1,25,519	1,27,819
Aggregate amount of impairment on investments	1,08,634	93,868
	16,885	33,951

¹During the year, based on the valuation assessment carried out in respect of carrying value investments in subsidiaries and considering the significant investment required to keep the pace with the transformation in telecom sectors, the management made an impairment provision of ₹ 14,766 Lakhs towards such investments in subsidiaries. The carrying value of investments in subsidiaries post aforesaid impairment is dependent on the achievement of valuation assumptions as considered by the management which the management believes reasonably reflects the future growth and profitability of the Company.

²During the year, the Company has withdrawn ₹ 2,300 Lakhs (March 31, 2023: ₹ 9,200 Lakhs) from capital account of Subex Assurance LLP. Refer note 31.

³Number of shares includes shares being held in the name of nominee but the beneficial owner is the Company

⁴Investments carried at fair value through other comprehensive income reflect investment ('FVTOCI') in compulsory convertible preference share. These compulsory convertible preference share are designated as FVTOCI as they are not held for trading purpose. Thus, disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding. Refer note 36 for determination of their fair values.

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Current Investments		
Unquoted		
Investment carried at fair value through statement of profit or loss account		
Investment in unquoted mutual funds	731	604
	731	604

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

5. Investments (contd.)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	Nos	Nos	(₹ in Lakhs)	(₹ in Lakhs)
SBI Overnight Fund Regular Growth [Face value ₹ 1,000 (March 31, 2023: ₹ 1,000)]	7,801	-	300	-
Sundaram Overnight Fund Direct Growth [Face value ₹ 1,000 (March 31, 2023: ₹ 1,000)]	17,314	-	221	-
Nippon India Liquid Fund Growth [Face value ₹ 1,000 (March 31, 2023: ₹ 1,000)]	1,887	-	110	-
SBI Liquid Fund Regular Growth [Face value ₹ 1,000 (March 31, 2023: ₹ 1,000)]	2,677	-	100	-
SBI Savings Fund Direct Growth [Face value ₹ 10 (March 31, 2023: ₹ 10)]	-	8,18,381	-	308
SBI Liquid Fund Direct Growth [Face value ₹ 1,000 (March 31, 2023: ₹ 1,000)]	-	4,260	-	150
SBI Overnight Fund Direct Growth [Face value ₹ 1,000 (March 31, 2023: ₹ 1,000)]	-	4,000	-	146
	29,679	8,26,641	731	604

6. Loans

Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Loan receivable		
Loan receivable - credit impaired		
Loans to related party (refer note 32)	-	1,706
	-	1,706
Impairment allowance for loan receivable		
Loan Receivables - credit impaired		
Loans to related party (refer note 32)	-	(1,706)
Total	-	-
Current		
Unsecured, considered good		
Other loans		
Loans to employees	62	88
Total	62	88

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

7. Trade receivables

Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Trade receivables from related parties (refer note 31)	4,023	8,140
Trade receivables from other than related parties	3,478	2,743
Unsecured, credit impaired		
Trade receivables from related parties	4,302	3,867
Trade receivables from other than related parties	711	838
Total (a)	12,514	15,588
Impairment allowance (allowance for expected credit loss)		
Receivable from related parties, credit impaired	(4,302)	(3,867)
Receivables from other than related parties, credit impaired	(711)	(838)
Total (b)	(5,013)	(4,705)
Net Trade Receivables (a-b)	7,501	10,883

Trade receivables ageing schedule

As at March 31, 2024

(₹ 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	350	2,757	2,665	667	626	-	436	7,501
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	518	91	1,799	271	2,024	4,703
Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	310	310
Total	350	2,757	3,183	758	2,425	271	2,770	12,514
Less: Impairment allowance (allowance for expected credit loss)								(5,013)
Net Trade Receivables								7,501

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

7. Trade receivables (contd.)

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	4,876	2,514	2,830	-	-	436	10,883
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	48	1,853	411	10	2,014	4,336
Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	71	298	369
Total	227	4,876	2,562	4,683	411	81	2,748	15,588
Less: Impairment allowance (allowance for expected credit loss)								(4,705)
Net Trade Receivables								10,883

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 120 days.

8. Cash and cash equivalents

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Balance with banks		
In current accounts	503	1,590
In Exchange Earners' Foreign Currency ('EEFC') accounts	19	28
Deposits with original maturity of less than 3 months	550	830
A	1,072	2,448
Other balances with banks		
Earmarked balances with banks being unpaid dividend accounts	27	28
Deposits with original maturity more than 3 months less than 12 months	23	2,045
Margin money deposits with original maturity more than 3 months less than 12 months	59	39
	109	2,112
Less: Disclosed under Other balances with banks (Current) (refer note 9)	(109)	(2,112)
B	-	-
(A+B)	1,072	2,448

For the purpose of the standalone statement of cash flows, cash and cash equivalents comprise Balance with banks as stated above.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

9. Other balances with banks

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Other bank balances (refer note 8)		
Earmarked balances with banks being unpaid dividend accounts*	27	28
Deposits with original maturity more than 3 months less than 12 months	23	2,045
Margin money deposits with original maturity more than 3 months less than 12 months	59	39
	109	2,112

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

10. Other financial assets

Unsecured, considered good

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Carried at amortized cost		
Security deposits	674	647
Margin money deposits with remaining maturity more than 12 months	6	6
	680	653
Current		
Carried at amortized cost		
Share of profit in excess of drawings from Subex Assurance LLP (refer note 31)	48	173
Interest accrued but not due on bank deposits	35	33
Derivative instruments carried at fair value through statement of profit and loss account		
Foreign currency forward contract	3	6
	86	212

11. Income tax assets (net)

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Advance income-tax [net of provision for taxation ₹ 1,165 Lakhs (March 31, 2023: ₹ 1,165 Lakhs)]	2,909	2,941
	2,909	2,941

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

12. Deferred tax assets (net) (including MAT credit entitlement)

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Minimum alternative tax ("MAT") credit entitlement	561	561
Less: Provision for MAT credit^	(425)	(425)
A	136	136
Deferred tax assets, net*	B	1,147
(A+B)	136	1,283

^ MAT credit entitlement of ₹ 425 Lakhs (March 31, 2023: ₹ 425 Lakhs) been provided for considering the uncertainty as regards to its utilisation

*Deferred tax assets (net)

(₹ in Lakhs)

	Balance Sheet		Statement of profit & Loss	
	As at March 31, 2024	As at March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
<u>Deferred tax assets^</u>				
Deferred tax asset recognised on carry forward losses^	-	1,147	(1,147)	1,147
Total	-	1,147	(1,147)	1,147

^Consequent to restructuring mentioned in note 1(c), the management recognised deferred tax assets of ₹ 1,147 Lakhs. During the year ended March 31, 2024, the Company has reassessed the recoverability of deferred tax asset and has charged the same to the standalone statement of profit and loss for the year ended March 31, 2024. In respect of remaining unused tax losses, the Company would reassess and recognise deferred tax asset when it is probable that taxable profits would be available against which such tax losses can be utilised.

13. Other assets

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Prepaid expenses	74	41
Balance with statutory/ government authorities*	267	267
Less: Provision for service tax receivable	(267)	(267)
	74	41
Current		
Balance with statutory/ government authorities	-	20
Contract assets (net of provision amounting to ₹ 78 lakhs (March 2023: ₹ 78 lakhs)	847	935
Prepaid expenses	353	338
Advance to suppliers	13	2
Expenses incurred on behalf of customers	54	-
	1,267	1,295

*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 its realisation.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

14. Equity share capital

	No.	₹ in Lakhs
Authorised share capital		
Equity shares of ₹ 5 each		
As at April 1, 2022	1,17,60,80,000	58,804
Increase during the year	-	-
As at March 31, 2023	1,17,60,80,000	58,804
Increase during the year	-	-
As at March 31, 2024	1,17,60,80,000	58,804
Preference shares of ₹ 98 each		
As at April 1, 2022	2,00,000	196
Increase during the year	-	-
As at March 31, 2023	2,00,000	196
Increase during the year	-	-
As at March 31, 2024	2,00,000	196
Issued, subscribed and fully paid-up share capital		
Equity shares of ₹ 5 each		
As at April 1, 2022	56,20,02,935	28,100
Issued during the year	-	-
As at March 31, 2023	56,20,02,935	28,100
Issued during the year	-	-
As at March 31, 2024	56,20,02,935	28,100

a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5 per share. 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, 2024 and as at March 31, 2023, there is no individual shareholder or shareholder (together with 'Persons acting in concert') holding more than 5% shares of the Company.

c) Number of shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 34.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

14. Equity share capital (contd.)

d) Number of treasury shares outstanding

	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	1,11,10,800	1,25,33,720
Add: Additions during the year	-	-
Less: Exercise during the year	(33,33,751)	(14,22,920)
Balance as at end of the year	77,77,049	1,11,10,800

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

f) The Company has not allotted any fully paid-up equity shares by way of bonus shares or for consideration other than cash and has not bought back any class of equity shares during the period of five years immediately preceding the balance sheet date.

15. Other equity

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Capital reserve		
Balance as at beginning of the year	2,776	2,776
Add: Additions during the year	-	-
Closing balance	2,776	2,776
Securities premium		
Balance as at beginning of the year	16,584	16,558
Add: On account of exercise of stock options	73	26
Closing balance	16,657	16,584
General reserve		
Balance as at beginning of the year	1,820	1,787
Add: On account of vested options lapsed during the year	171	33
Closing balance	1,991	1,820
Employee stock options reserve		
Balance as at beginning of the year	444	267
Add: Employee share based payments expense (refer note 34)	123	232
Less: On account of exercise of stock options	(52)	(22)
Less: On account of vested options lapsed during the year	(171)	(33)
Closing balance	344	444

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

15. Other equity (contd.)

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Treasury Shares		
Balance as at beginning of the year	(615)	(697)
Add: On account of exercise of stock options	183	82
Closing balance	(432)	(615)
Retained earnings		
Balance as at beginning of the year	(6,722)	135
Add: (Loss)/ profit for the year	(21,325)	(6,876)
Less: Re-measurement (loss) / gain on defined benefit plans	(1)	19
Closing balance	(28,048)	(6,722)
Summary of other equity:		
Capital Reserve	2,776	2,776
The Company recognises profit and loss on transfer of business on account of restructuring to capital reserve.		
Securities premium account	16,657	16,584
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.		
General reserve	1,991	1,820
This represents appropriation of profit by the Company. Also, the amounts recorded in employee stock option reserve are transferred to general reserve on account of lapse of vested stock options.		
Employee stock options reserve	344	444
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/ lapse of stock options. Refer note 31 & 34 for further details of these plans.		
Treasury Shares	(432)	(615)
This represents own equity shares that are acquired from open market for issuance to employees under ESOP scheme.		
Retained earnings	(28,048)	(6,722)
This represents surplus/ (deficit) arising from operations of the Company, net of appropriations.		
Total other equity	(6,712)	14,287

15(a) Distributions made and proposed

No dividend has been declared by the Company during the year March 31, 2024 and March 31, 2023.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

16. Trade payables

Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Current		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises^	98	141
- total outstanding dues of creditors other than micro enterprises and small enterprises*	6,774	8,043
	6,872	8,184

^Payable to micro enterprises and small enterprises

(₹ in Lakhs)

Description	As at March 31, 2024	As at March 31, 2023
a) the principal amount remaining unpaid to any supplier as at the end of accounting year;	98	141
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, 2024

(₹ 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	
Undisputed dues of micro enterprises and small enterprises	-	84	14	-	-	-	98
Undisputed dues of creditors other than micro enterprises and small enterprises	451	2,046	2,581	245	70	1,381	6,774
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	451	2,130	2,595	245	70	1,381	6,872

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

16. Trade payables (contd.)

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	
Undisputed dues of micro enterprises and small enterprises	-	101	40	-	-	-	141
Undisputed dues of creditors other than micro enterprises and small enterprises	336	2,570	3,713	70	-	1,354	8,043
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	336	2,671	3,753	70	-	1,354	8,184

* 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 liquidity risk management, refer note 37

17. Other financial liabilities

Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Current		
Share of Loss in excess of contribution from Subex Digital LLP (refer note 31)	1,031	4,439
Accrued salaries and benefits	1,604	1,186
Capital creditors	29	71
Unclaimed dividend	27	28
	2,691	5,724

18. Other current liabilities

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Unearned revenue	401	405
Statutory dues	463	420
	864	825

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

19. Provisions

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Provisions for employee benefits		
Gratuity [refer note 35(b)]	31	74
	31	74
Current		
Provisions for employee benefits		
Gratuity [refer note 35(b)]	74	83
Leave benefits	206	222
	280	305

20. Income tax liabilities (net)

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Current		
Provision for foreign taxes	-	1
Provision for litigation [refer note 33(i)] ^	-	102
	-	103

^ Provision for litigation consists of matters which are sub-judice.

The movement in provision for litigation balance is as follows :

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	102	102
Provision utilised during the year	(102)	-
Closing balance	-	102

Income tax expense in the standalone statement of profit and loss consist of the following:

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Tax expense:		
Current tax charge	-	-
Provision - foreign income taxes [Refer note i]	379	324
Deferred tax charge / (credit) [Refer note ii]	1,147	(1,147)
Total tax expense	1,526	(823)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

20. Income tax liabilities (net) (contd.)

Reconciliation of tax to the amount computed by applying the statutory income tax rate to the income before tax is summarized below:

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
(Loss) / Profit before tax expense	(19,799)	(7,699)
Applicable tax rates in India	34.94%	34.94%
Computed tax charge (A)	(6,919)	(2,690)
Components of tax expense:		
Provision for foreign withholding taxes (net) (refer note i)	379	324
Deferred tax charge / (credit) on carry forward losses (refer note ii)	1,147	(1,147)
Exempt (income) / expense - share of (profit)/ loss from LLP's	5,186	1,104
Expenses disallowed for tax purposes	20	157
Deferred tax asset not recognised on income tax losses/timing differences (refer note ii)	1,713	1,429
Total adjustments (B)	8,445	1,867
Total tax expense (A+B)	1,526	(823)

Notes:

- 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 ₹ 379 Lakhs (March 31, 2023: ₹ 324 Lakhs).
- Consequent to restructuring mentioned in note 1(c), the management recognised deferred tax assets of ₹ 1,147 Lakhs. During the year ended March 31, 2024, the Company has reassessed the recoverability of deferred tax asset and has charged the same to the standalone statement of profit and loss for the year ended March 31, 2024. In respect of remaining unused tax losses, the Company would reassess and recognise deferred tax asset when it is probable that taxable profits would be available against which such tax losses can be utilised.

21. Revenue from operations

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products	141	208
Sale of services	26,760	27,144
	26,901	27,352
Disaggregation of revenue:		
Revenue by offering		
Sale of products (recognized at a point in time)		
Sale of license	141	208
Sale of services (recognized over a period of time)		
Sub-contracting services (refer note 31)	18,892	19,536
Support services (refer note 31 and 42)	558	1,121
Implementation and customisation	1,761	1,526
Managed services	2,902	2,366
Support services	2,647	2,595
	26,901	27,352

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

21. Revenue from operations (contd.)

(i) Contract balances

The following are the contract balances

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Trade receivables (current) (refer note 7)	7,501	10,883
Contract assets (current) (refer note 13)	847	935
Contract liability- unearned revenue (current) (refer note 18)	401	405
	8,749	12,223

- (a) Contract asset relates to revenue recognised initially from implementation and customisation services because the receipt of consideration is conditional on successful completion of the installation.
- (b) Contract liability/ unearned revenue represents billings in excess of revenues.
- (c) During the year ended March 31, 2024, the Company recognized revenue of ₹ 353 Lakhs (March 31, 2023: ₹ 564 Lakhs) arising from contract liability as at beginning of the year. Further, during the year ended March 31, 2024, the Company has billed ₹ 656 Lakhs (March 31, 2023 : ₹ 663 Lakhs) from contract assets as at beginning of the year. Further refer note 30 for disaggregation of revenue by geographical segment.

Remaining performance obligations

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2024, other than those contracts wherein invoicing is on time and material basis is ₹ 2,926 Lakhs (March 31, 2023: ₹ 2,784 Lakhs). 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 55% 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 from Limited Liability Partnerships before exceptional items (net)

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Share of loss from Subex Assurance LLP	(125)	(806)
Share of loss from Subex Digital LLP	(887)	(2,353)
	(1,012)	(3,159)

23. Other income

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on:		
Security deposits	30	24
Bank deposits	92	94
Income from investment in mutual fund	26	41
Insurance claim	-	79
Net gain on disposal of property, plant and equipment	-	2
Other non-operating income	3	2
	151	242

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

24. Employee benefits expense

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	10,755	11,041
Contribution to provident and other funds [refer note 35(a)]	390	427
Employee share based payments expense (refer note 34)	118	209
Gratuity expense [refer note 35(b)]	77	79
Staff welfare expenses	444	435
	11,784	12,191

25. Finance cost

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on lease liability	226	199
Finance cost on Actuarial valuation	11	28
Interest others	-	3
	237	230

26. Depreciation and amortization expense

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of property, plant and equipment	400	401
Depreciation on right-of-use assets	825	661
Amortization of intangible assets	125	125
	1,350	1,187

27. Other expenses

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Cost of hardware, software and support charges	83	11
Sub-contract charges	197	125
Rent	336	486
Power and fuel	157	131
Repairs and maintenance	1,081	1,014
Travelling and conveyance	639	811
Rates and taxes	84	254
Advertisement and business promotion	100	113
Consultancy charges	442	518

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

27. Other expenses (contd.)

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Commission to directors	-	36
Payments to auditors [refer note 27(i)]	66	67
Sales commission	43	-
Marketing and support service charges (refer note 31)	11,620	10,650
Royalty Expense (refer note 31)	1,789	1,699
Allowance for expected credit loss / bad debts written off (net)	313	2,315
Exchange fluctuation loss (net)	492	20
Directors sitting fees (refer note 31)	68	62
Donation	-	6
Miscellaneous expenses	163	208
	17,673	18,526

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

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
As auditor		
Audit fee	63	63
In other capacity		
Other services (certification services)	1	1
Reimbursement of expenses	2	3
	66	67

28. Leases

The Company has lease contracts for office buildings and computer equipment. The leases for office buildings generally have lease terms between 1 to 5 years while computer equipment have lease term of 5 years.

The Company also has certain leases for office buildings and computer equipment with lease term of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

During the year ended March 31, 2023, pursuant to approval of the Board of Directors and Shareholders of the Company for restructuring of the business, effective April 01, 2022, part of the premises in Subex Assurance LLP was transferred to Subex Limited amounting to additions of ₹ 1,064 lakhs in right-of-use asset and corresponding lease liability.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

28. Leases (contd.)

The details of the right-of-use asset held by the Company is as follows:

(₹ in Lakhs)

	Office Buildings	Computer equipment	Total
Gross Carrying Value			
As at April 1, 2022	50	-	50
Additions during the year	3,442	-	3,442
As at March 31, 2023	3,492	-	3,492
Additions during the year	-	274	274
As at March 31, 2024	3,492	274	3,766
Accumulated Depreciation			
As at April 1, 2022	14	-	14
Charge for the year	661	-	661
As at March 31, 2023	675	-	675
Charge for the year	779	46	825
As at March 31, 2024	1,454	46	1,500
Net block			
As at March 31, 2023	2,817	-	2,817
As at March 31, 2024	2,038	228	2,266

The Company has incurred ₹ 336 Lakhs for the year ended March 31, 2024 (March 31, 2023: ₹ 486 Lakhs) towards expenses relating to short-term leases and leases of low-value assets.

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

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance	2,966	38
Additions	274	3,296
Interest on lease liabilities	226	199
Payments	(931)	(567)
Closing balance	2,535	2,966
Current	819	685
Non-current	1,716	2,281

The effective interest rate for lease liabilities is ranging between 7.02% to 10.26 % (March 31, 2023: 7.02% to 8.35%) for the year ended March 31, 2024.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

28. Leases (contd.)

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on an undiscounted basis:

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Less than one year	991	888
One to five years	1,879	2,558
More than five years	-	-
Total	2,870	3,446

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

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation expense of right-of-use assets	825	661
Interest expense on lease liabilities	226	199
Expense relating to short-term leases (included in other expenses)	336	486
Total amount recognised in the standalone statement of profit and loss	1,387	1,346

The Company had total cash outflows for leases of ₹ 1,267 Lakhs for the year ended March 31, 2024 (March 31, 2023: ₹ 1,053 Lakhs). There are no future cash outflows relating to leases that have not yet commenced.

29. Earnings per share (EPS)

Basic earnings per share 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, 2024	Year ended March 31, 2023
Nominal value per equity share	5	5
(Loss) / profit attributable to equity shareholders (₹ in Lakhs)	(21,325)	(6,876)
Weighted average number of equity shares (No. in Lakhs)^		
Basic	5,528	5,501
Diluted	5,534	5,572
Earning per share (₹ per share)*		
Basic	(3.86)	(1.25)
Diluted	(3.86)	(1.25)

^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, 2024 are anti-dilutive (March 31, 2023: anti-dilutive) and accordingly have not been considered for the purpose of computing dilutive EPS.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

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 and rest of the world. 'Americas' comprises the Company's operations in North America, South America and Canada. 'EMEA' comprises the Company's operations in Europe, Middle East and Africa and the Company's operations in the rest of the world, excluding India are organized under 'APAC and the rest of the world'. Customer relationships are driven based on customer domicile.

Segment revenue by geographical location are as follows[^]:

(₹ in Lakhs)		
Region	Year ended March 31, 2024	Year ended March 31, 2023
Americas	3,146	2,734
EMEA	18,343	16,892
India	790	1,837
APAC and rest of the world	4,622	5,889
	26,901	27,352

[^] 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, 2024 and March 31, 2023. Revenue from its subsidiaries accounts for more than 10% of the total revenues of the Company (refer note 31).

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

(₹ in Lakhs)		
Region	As at March 31, 2024	As at March 31, 2023
India	3,223	4,098
Outside India	-	-
Total non-current operating assets	3,223	4,098

* Non-current operating assets includes Property, plant and equipment, Right-of-use assets, Other intangible assets, and non current other assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

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

Managing Director (with effect from May 10, 2024) & Chief Executive Officer (with effect from May 02, 2023)

Poornima Kamalaksh Prabhu

Independent Director

George Zacharias

Independent Director

Archana Muthappa

Independent Director (with effect from August 08, 2023)

Rupinder Goel

Independent Director (with effect from August 08, 2023)

Murali Kalyanaraman

Independent Director (with effect from May 10, 2024)

Vinod Kumar Padmanabhan

Managing Director & Chief Executive Officer (upto May 01, 2023), Non-Executive & Non-Independent Director (w.e.f. May 02, 2023 till September 07, 2023)

Shiva Shankar Naga Roddam

Whole-time Director (upto May 03, 2023) & Chief Operating Officer (upto December 31, 2023) ^

G V Krishnakanth

Company Secretary & Compliance Officer

Sumit Kumar

Chief Financial Officer

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

31. Related party transactions (contd.)

iii. Details of the transactions with the related parties

A. Transactions with wholly owned subsidiaries

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Income from subcontracting and support services:		
Subex (UK) Limited	10,208	11,555
Subex (Asia Pacific) Pte. Limited	2,869	4,263
Subex Middle East (FZE)	2,585	725
Subex Inc.	2,320	1,963
Subex Americas Inc.	713	636
Subex Digital LLP	541	956
Subex Bangladesh Private Limited	197	394
Subex Assurance LLP	17	165
	19,450	20,657
Marketing and support service charges:		
Subex (UK) Limited	6,340	4,854
Subex Inc.	3,044	3,421
Subex (Asia Pacific) Pte. Limited	800	596
Subex Digital LLP	663	1,102
Subex Americas Inc.	432	324
Subex Bangladesh Private Limited	235	116
Subex Assurance LLP	66	219
Subex Middle East (FZE)	40	18
	11,620	10,650
Employee Stock Option expenses allocated to:		
Subex Digital LLP	5	23
	5	23
Royalty expense:		
Subex Assurance LLP	1,789	1,699
	1,789	1,699
Allowance for expected credit loss		
Subex Middle East (FZE)	255	1,993
Subex Bangladesh Private Limited	180	-
	435	1,993
Rates and taxes		
Subex Bangladesh Private Limited	5	108
	5	108

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

31. Related party transactions (contd.)

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Reimbursement of expenses incurred by Subex Limited on behalf of its subsidiaries:		
Subex Digital LLP	148	50
Subex (UK) Limited	110	79
Subex Bangladesh Private Limited	67	56
Subex (Asia Pacific) Pte. Limited	24	5
Subex Middle East (FZE)	20	307
Subex Assurance LLP	10	46
Subex Americas Inc.	10	8
Subex Inc.	4	14
Subex Account Aggregator Services Private Limited	-	6
Subex Technologies Limited ^	0	-
	393	571
^ Represents ₹ Nil (March 31, 2023 ₹ 12,500) which are presented as Nil due to rounding off.		
Reimbursement of expenses incurred by the subsidiaries on behalf of Subex Limited:		
Subex (UK) Limited	340	409
Subex Middle East (FZE)	176	493
Subex (Asia Pacific) Pte. Limited	132	221
Subex Assurance LLP	64	85
Subex Americas Inc.	25	50
Subex Bangladesh Private Limited	20	189
Subex Inc.	14	20
Subex Digital LLP	1	98
	772	1,565
Investment in Equity Shares		
Subex Account Aggregator Services Private Limited	-	225
	-	225
Drawings during the year from Limited Liability Partnership:		
Subex Assurance LLP (Capital Account)	2,300	9,200
	2,300	9,200
Reimbursement of share of loss to Limited Liability Partnership:		
Subex Digital LLP	4,295	1,185
	4,295	1,185
Share of profit/(loss) from Limited Liability Partnerships:		
Subex Digital LLP	(887)	(2,353)
Subex Assurance LLP	(125)	(806)
	(1,012)	(3,159)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

31. Related party transactions (contd.)

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Impairment of investment in subsidiary		
Subex Assurance LLP	13,830	-
Subex Americas Inc.	936	-
	14,766	-
Consideration for the Assets and Liabilities (refer note 1(c)):		
Subex Assurance LLP	-	9,229
	-	9,229
Transfer out of employee benefit obligations (refer note 42):		
Subex Assurance LLP	26	-
Subex Digital LLP	9	-
	35	-
Billings on behalf of its subsidiaries:		
Subex Digital LLP	315	-
	315	-
Collections on behalf of Subex Limited by its subsidiaries:		
Subex Assurance LLP	86	-
	86	-

B. Transactions with key management personnel

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Salary and perquisites#		
Shiva Shankar Naga Roddam^	201	147
Nisha Dutt	180	-
Sumit Kumar	80	72
G V Krishnakanth	74	49
Vinod Kumar Padmanabhan	28	319
	563	587
Director sitting fees		
Anil Singhvi	22	19
Poornima Prabhu	20	17
George Zacharias	17	11
Archana Muthappa	3	-
Nisha Dutt	2	15
Rupinder Goel	2	-
Vinod Kumar Padmanabhan	2	-
	68	62

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

31. Related party transactions (contd.)

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Commission		
Anil Singhvi	-	9
Nisha Dutt	-	9
Poornima Prabhu	-	9
George Zacharias	-	9
	-	36

The remuneration to the key managerial personnel does not include the provision for gratuity and compensated absences, which were made on best estimate basis, as they are determined for the Company as a whole.

^ 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. The same has been recovered during the year.

iv. Details of balances receivable from and payable to related parties are as follows:

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Balances receivable from and payable to wholly owned subsidiaries		
Trade receivables		
Subex Middle East (FZE) [Net of provision of ₹ 2,248 lakhs (March 31, 2023 : ₹ 1,993 lakhs)]*	1,106	784
Subex Bangladesh Pvt Ltd [Net of provision of ₹ 180 lakhs (March 31, 2023 : ₹ Nil)]	922	1,314
Subex (UK) Limited	611	1,600
Subex Inc.	549	1,726
Subex Digital LLP	420	1,539
Subex Americas Inc. [Net of provision of ₹ 1,874 lakhs (March 31, 2023 : ₹ 1,874 lakhs)]	210	203
Subex (Asia Pacific) Pte. Limited	186	895
Subex Assurance LLP	19	79
	4,023	8,140
Other current financial assets		
Share of profit from investment in Subex Assurance LLP	48	173
	48	173
Trade payables		
Subex (UK) Limited	2,671	2,810
Subex Americas Inc.	1,550	1,459
Subex Digital LLP	667	655
Subex Bangladesh Pvt Ltd	640	377
Subex (Asia Pacific) Pte. Limited	429	223
Subex Assurance LLP	142	1,311
Subex Inc.	131	332
Subex Middle East (FZE)	-	319
	6,230	7,486

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

31. Related party transactions (contd.)

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Commission payables (included in trade payables)		
Anil Singhvi	-	9
Nisha Dutt	-	9
Poornima Prabhu	-	9
George Zacharias	-	9
	-	36
Other current financial liabilities		
Share of loss from investment in Subex Digital LLP	1,031	4,439
	1,031	4,439
Payable to key management personnel		
Vinod Kumar Padmanabhan	-	21
Shiva Shankar Naga Roddam	-	10
Nisha Dutt	11	-
Sumit Kumar	5	16
G V Krishnakanth	2	4
	18	51
Investment in Equity Shares		
Subex Americas Inc [net of impairment on investment ₹ 77,496 Lakhs (March 31, 2023: ₹ 76,560 Lakhs)]	-	936
Subex Account Aggregator Services Private Limited	225	225
	225	1,161
Investment in Limited Liability Partnership		
Subex Assurance LLP [net of impairment on investment ₹ 30,638 Lakhs (March 31, 2023: ₹ 16,808 Lakhs) and drawings from capital account of ₹ 2,300 Lakhs (March 31, 2023: ₹ 9,200 Lakhs)]	14,626	30,756
Subex Digital LLP	1,869	1,869
	16,495	32,625

v. Details of Employee stock options plans ('ESOPs') outstanding for key management personnel

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Opening options	16,80,000	23,30,000
Options granted during the year	8,00,000	-
Options exercised during the year	(16,80,000)	(6,50,000)
Closing options	8,00,000	16,80,000

Also, refer note 33(vi) for comfort letter given to subsidiaries.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

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 and disclosure required under Section 186 (4) of the Companies Act, 2013

Loans and advances given to wholly owned subsidiaries:

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	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
Less: Provision for loans and advances given	-	-	(1,706)	(1,706)
Balance	-	-	-	-

33. Contingent liabilities and commitments

In the ordinary course of business, the Company faces claims and assertions by various parties and authorities. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its standalone financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the standalone financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Income tax demands [refer note (i) and (iii)]	2,596	369
Indirect tax demands [refer note (ii) and (iii)]	8,005	7,994
Bank guarantees (furnished to customers)	117	77

i. Income tax

- a) During the year ended March 31, 2024, the Income tax Department has filed appeal for Assessment years ('AY') 2013-14 and 2015-16, against Income Tax Appellate Tribunal, Bangalore ('ITAT') order in relation to matters decided in favour of the Company.

Further during the year ended March 31, 2023, the Company had received partial favourable order from Income Tax Appellate Tribunal, Bangalore ('ITAT') for AY 2014-15. The Company had filed an appeal before the Hon'ble Karnataka High Court for Assessment year ('AY') 2014-15 against such ITAT order in relation to matters decided in favour of the Income Tax department. Also, the Company has not received OGE to ITAT's order for AY 2014-15, in relation to matters decided in favour of the Company.

Based on internal assessment, the management is confident that outcome of aforesaid matters would be in favour of the Company. Accordingly, the Company has disclosed the disputed amount related to aforementioned assessment years as contingent liability and has not made any adjustments in the standalone financial statements in this regard.

- b) Certain demands from the income tax authorities were set-off against the brought forward business losses and unabsorbed depreciation of previous years for which no contingent liability has been disclosed.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

33. Contingent liabilities and commitments (contd.)

- c) The aforesaid demands do not include ₹ 379 lakhs amount of demand pertaining to AY 2011-12 for which the Company has received a partial favourable orders from ITAT and favourable order from Karnataka high court for during the year ended 2021-22. The Company has not received OGE to such favourable orders and the department has not appealed further in relation to such matter.

ii. Indirect 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 and has not made any adjustments in the standalone financial statements in this regard.

- iii. The aforesaid amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

iv. Other matters

As at March 31, 2024, certain trade payables and trade receivables towards purchase and sale of services respectively, which are outstanding beyond permissible time period stipulated under the Master Circular on Import of Goods and Services and Master Circular on Export of Goods and Services issued by Reserve Bank of India ('the RBI'). Considering that the balances are outstanding for more than the stipulated time, the Company has intimated the appropriate regulatory authorities seeking requisite approvals for extensions. The management is confident that required approvals would be received and penalties, if any that may be imposed on the Company would not be material. Accordingly, no adjustments have been made by the management to these standalone financial statements in this regard

- v. The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and is not carrying provisions for all the above mentioned amounts in its books of account, as the Company's Management is confident of successfully litigating the matters and these are disclosed as contingent liability, where applicable in its standalone financial statements. The Company's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the Company's results of operations or financial condition.
- vi. The Company has committed to provide financial support to its subsidiaries to support their business operations and meet all their obligation as and when due.
- vii. The Hon'ble Supreme Court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The Management is of the view that there are interpretative challenges on the application of the judgement retrospectively. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.

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 statements 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 77,77,049 and 1,11,10,800 treasury shares as at March 31, 2024 and March 31, 2023, respectively.

The Nomination and Remuneration Committee in their meeting held on June 29, 2023 and February 7, 2024 granted 10,50,000 and 1,50,000 options respectively under approved "Subex Employees Stock Option Scheme - 2018" to the eligible employees. The options outstanding vest over a period of 1 to 3 years and can be exercised over a maximum period of 2 years from the date of vesting.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

34. Employee stock options plans ('ESOPs') (contd.)

There was an extension of exercise period till June 30, 2023 for those vested options which were getting lapsed in February 2023.

The expense recognised for employee services received during the year amounts to ₹ 118 lakhs (March 31, 2023: ₹ 209 lakhs).

Employees stock options details as on the balance sheet date are:

(₹ in Lakhs)

	2023-24		2022-23	
	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	95,81,458	8.95	1,14,57,628	8.86
Exercised during the year				
ESOP – V	33,33,751	6.11	14,22,920	6.11
Granted during the year				
ESOP – V	12,00,000	20.00	-	-
Forfeited and expired during the year				
ESOP – V	52,11,207	8.58	4,53,250	15.57
Options outstanding at the end of the year				
ESOP – V	22,36,500	19.98	95,81,458	8.95
Options exercisable at the end of the year				
ESOP – V	5,96,031	19.92	79,46,523	8.66

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 (₹)	
	2023-24	2022-23	2023-24	2022-23
ESOP – V	3.10	1.23	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, 2024	March 31, 2023
Risk-free interest rate	5%-7.17%	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 (₹)	0.96-31.61	0.96-31.61

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, 2024

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 ₹ 390 Lakhs (March 31, 2023: ₹ 427 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, 2024	As at March 31, 2023
A. Change in defined benefit obligation		
Obligations at beginning of the year	526	216
Liability transfer [refer note 1(c)]	(21)	323
Service cost	77	79
Interest cost	38	33
Benefits settled	(130)	(125)
Actuarial (gain)/ loss (through OCI)	-	-
Obligations at end of the year	490	526
B. Change in plan assets		
Plan assets at beginning of the year, at fair value	369	82
Asset transfer in [refer note 1(c)]	-	277
Expected return on plan assets	27	5
Actuarial gain (through OCI)	(1)	19
Contributions	120	111
Benefits settled	(130)	(125)
Plan assets at the end of the year	385	369
C. Net liability recognised in the standalone balance sheet		
Present value of defined benefit obligation at the end of the year	(490)	(526)
Fair value of plan assets at the end of the year	385	369
Net liability	(105)	(157)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

35. Employee benefit plans (contd.)

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
D. Expenses recognised in the standalone statement of profit and loss:		
Service cost	77	79
Interest cost (net)	11	28
Net gratuity cost	88	107
E. Re-measurement (losses) / gains in OCI		
Actuarial (loss) / gain due to financial assumption changes	(2)	(25)
Actuarial (loss) / gain due to experience adjustments	2	25
Actuarial (loss) / gain - return on plan assets greater than discount rate	(1)	19
Total expenses recognised through OCI	(1)	19
F. Assumptions		
Discount rate	7.19%	7.30%
Expected return on plan assets	7.30%	6.19%
Salary escalation	6.00%	6.00%
Attrition rate	18.00%	18.00%
Retirement age	60 years	60 years

Notes:

- Plan assets are fully represented by balance with the Life Insurance Corporation of India.
- The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
- The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- As per Indian Assured Lives Mortality (2012-14) Ultimate (March 31, 2023 : Indian Assured Lives Mortality (2012-14) Ultimate)
- Plan characteristics and associated risks:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

- Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.
- Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

35. Employee benefit plans (contd.)

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
G. Five years pay-outs		
Year 1	74	83
Year 2	69	77
Year 3	69	71
Year 4	67	71
Year 5	60	66
After 5 th Year	369	392
H. Contribution likely to be made for the next one year	74	83

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, 2024	As at March 31, 2023
Investment with insurer	100%	100%

J. Sensitivity analysis

(₹ in Lakhs)

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
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)	(10.00)	11.00	(11.00)	11.00
Effect of change in salary	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation increase/ (decrease)	20.00	(19.00)	21.00	(20.00)
Effect of change in withdrawal assumption	5% increase	5% decrease	5% increase	5% decrease
Impact on defined benefit obligation increase/ (decrease)	(7.00)	4.00	(5.00)	2.00

K. The average duration of the defined benefit plan obligation at the end of the reporting period of gratuity is 6 years (March 31, 2023: 5 years).

36. Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2(k), to the standalone financial statements.

(a) Financial assets and liabilities

The management assessed that cash and bank balances, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Non-current financial assets and liabilities are discounted using an appropriate discounting rate where the time value of money is material.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

36. Disclosures on Financial instruments (contd.)

The following tables presents the carrying value and fair value of each category of financial assets and financial liabilities as at March 31, 2024 and March 31, 2023:

As at March 31, 2024

(₹ in Lakhs)

Particulars	Financial assets measured at amortized cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total carrying value and fair value
Financial assets				
Investments	16,720	731	165	17,616
Loans	62	-	-	62
Trade receivables	7,501	-	-	7,501
Cash and cash equivalents and other balances with banks	1,181	-	-	1,181
Other financial assets	763	3	-	766
Total	26,227	734	165	27,126
Financial liabilities				
Lease Liabilities	2,535	-	-	2,535
Trade payables	6,872	-	-	6,872
Other financial liabilities	2,691	-	-	2,691
Total	12,098	-	-	12,098

As at March 31, 2023

(₹ in Lakhs)

Particulars	Financial assets measured at amortized cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total carrying value and fair value
Financial assets				
Investments	33,786	604	165	34,555
Loans	88	-	-	88
Trade receivables	10,883	-	-	10,883
Cash and cash equivalents and other balances with banks	4,560	-	-	4,560
Other financial assets	859	6	-	865
Total	16,390	610	165	50,951
Financial liabilities				
Lease Liabilities	2,966	-	-	2,966
Trade payables	8,184	-	-	8,184
Other financial liabilities	5,724	-	-	5,724
Total	16,874	-	-	16,874

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

36. Disclosures on Financial instruments (contd.)

(b) Fair value hierarchy

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using 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).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

As at March 31, 2024

(₹ in Lakhs)

Particulars	Total	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial assets				
Investments	896	731	-	165
Other financial assets	3	-	3	-
Total	899	731	3	165

As at March 31, 2023

(₹ in Lakhs)

Particulars	Total	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial assets				
Investments	769	604	-	165
Other financial assets	6	-	6	-
Total	775	604	6	165

Note:

- Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.
- Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.
- Current investments pertains to investments in mutual funds which are mandatorily classified as fair value through statement of profit and loss. The fair value of investments in mutual funds units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at balance sheet date. NAV represents the price at which the issuer will issue further units of mutual funds and the price at which issuers will redeem such units from the investors.
- The Company enters into derivative financial instruments with financial institutions having investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs.
- The carrying value of investment in Privasapien Technologies Private Limited is a reasonable approximation of fair value determined based on prior transactions, no further disclosures has been made in standalone financial statements.
- There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2024 and March 31, 2023.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

37. Financial risk management

The Company's activities expose it to the following risks:

- i. Market risk
 - ii. Credit risk
 - iii. Liquidity risk
- i. **Market risk**

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates and liquidity risk. Future specific market movements cannot be normally predicted with reasonable accuracy.

(a) Market risk- 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, 2024 and as at March 31, 2023. Also, the Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

(b) Market risk- Foreign currency 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"), United Arab Emirates Dirham ("AED"), Kuwaiti Dinar ("KWD"), 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.

The following table shows foreign currency exposure at the end of reporting period:

As at March 31, 2024

(₹ in Lakhs)

Particulars	Denominated currency					Total
	USD	AED	KWD	SGD	Others	
Financial assets						
Trade receivables	4,101	1,293	809	187	675	7,065
Cash and cash equivalents and other bank balances	183	-	-	-	-	183
Loans	6	-	-	2	-	8
Total financial assets	4,290	1,293	809	189	675	7,256
Financial liabilities						
Trade payables	5,994	-	-	411	20	6,425
Other financial liabilities	10	-	-	-	-	10
Total financial liabilities	6,004	-	-	411	20	6,435
Net financial assets/ (liabilities)	(1,714)	1,293	809	(222)	655	821

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

37. Financial risk management (contd.)

As at March 31, 2023

(₹ in Lakhs)

Particulars	Denominated currency					Total
	USD	AED	KWD	SGD	Others	
Financial assets						
Trade receivables	6,665	834	668	915	862	9,944
Cash and cash equivalents and other bank balances	347	-	-	-	183	530
Total financial assets	7,012	834	668	915	1,045	10,474
Financial liabilities						
Trade payables	6,399	319	-	223	29	6,970
Other financial liabilities	92	-	-	-	-	92
Total financial liabilities	6,491	319	-	223	29	7,062
Net financial assets/ (liabilities)	521	515	668	692	1,016	3,412

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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
USD	14,55,000	15,95,000	1,214	1,311

Sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.. The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities at March 31, 2024 and March 31, 2023. The Company's exposure to other currency is not material.

Particulars	Change in currency	Effect on Profit and loss	
		Strengthening	Weakening
March 31, 2024	1%	8	(8)
March 31, 2023	1%	34	(34)

ii. 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 contract assets) and from its financing activities including deposits with banks, investments and other financial instruments.

a. Trade receivables and contract assets

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. Also refer note 30 for details of customer concentration.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

37. Financial risk management (contd.)

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, 2024	As at March 31, 2023
Trade receivables	7,501	10,883
Contract assets	847	935
Total	8,348	11,818

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.

The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

The movement in credit loss allowance on customer balance is as follows :

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	4,783	2,317
Add: Addition on account of asset and liability purchase (refer note 1(c))	-	233
Add/(Less): Provided/(reversal) during the year	313	2,315
Less: Bad-debts written-off	(81)	(131)
Add/(less): Translation difference	76	49
Closing balance	5,091	4,783

c. Other financial assets and deposits with banks

Credit risk from balances with bank and financial institutions and in respect to loans and security deposits is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company have made certain strategic investments which have been approved by the Board of Directors.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

37. Financial risk management (contd.)

The break-up of cash and cash equivalents and deposits is as below:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	1,072	2,448
Other balances with banks	109	2,112
Investment in mutual fund	731	604
	1,912	5,164

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	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2024					
Trade payables	-	6,872	-	-	6,872
Lease Liability [^]	-	991	1,879	-	2,870
Other financial liabilities	1,058	1,633	-	-	2,691
	1,058	9,496	1,879	-	12,433
As at March 31, 2023					
Trade payables	-	8,184	-	-	8,184
Lease Liability [^]	-	888	2,558	-	3,446
Other financial liabilities	4,467	1,257	-	-	5,724
	4,467	10,329	2,558	-	17,354

[^]Includes future cash outflow toward estimated interest on lease liabilities.

38. Capital management

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through operating cash flows generated and surplus funds available. The Company does not have any long term debts hence there is no capital gearing ratio. Surplus fund has been invested into risk free highly liquid financial instruments.

- 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, 2024 and 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, 2024

40 Ratio analysis and its elements

Ratio	Measured in	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	Variance	Reasons of Variance
Current ratio	Times	Current Assets	Current Liabilities	0.94	1.11	(15.32%)	Not applicable
Debt- Equity Ratio	Times	Total Debt (represents lease liability)	Total Equity	0.12	0.07	71.43%	Primarily due to decrease in total equity on account of losses.
Debt Service Coverage ratio	Times	Earnings for debt service = Net (loss)/ profit for the year + Finance cost + Depreciation and amortization expense + Non-Cash operating expenses	Debt service = Finance costs + Principal Repayments including leases	(4.92)	(5.26)	(6.46%)	Not applicable
Inventory Turnover Ratio	This Ratio is not applicable considering the nature of business of the Company.						
Return on Equity ratio	Percentage	Net (loss)/ profit for the year	Average Shareholder's Equity	(66.88%)	(15.06%)	344.09%	Primarily due to increase in the losses due to exceptional items
Trade Receivable Turnover Ratio	Times	Revenue from operations	Average Trade Receivable	2.93	3.27	(10.40%)	Not applicable
Trade Payable Turnover Ratio	Times	Other expenses excluding Allowance for expected credit loss + Staff welfare expenses	Average Trade Payables	2.37	3.56	(33.43%)	Primarily due to increase in average trade payables
Net Capital Turnover Ratio	Times	Revenue from operations	Working capital = Current assets - Current liabilities	(38.54)	15.06	(355.91%)	Primarily due to decrease in working capital
Net Profit ratio	Percentage	Net (loss)/ profit for the year	Revenue from operations	(79.27%)	(25.14%)	215.31%	Primarily due to increase in the losses due to exceptional items
Return on Capital Employed	Percentage	Earnings/(Loss) before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt	(20.88%)	(17.20%)	21.40%	Not applicable
Return on Investment	Percentage	Income (mutual funds)	Average investments (mutual funds)	3.90%	13.58%	(71.28%)	Primarily due to increase in average investments

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, 2024 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, 2024 and previous year ended March 31, 2023, the common costs pertaining to sales and business support

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

function amounting to ₹ 558 Lakhs and ₹ 1,121 Lakhs respectively had been recovered by the Company along with an agreed mark-up from other group entities and is reflected under revenue from operations.

- 43.** Company has used accounting software, SAP ECC for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the underlying database level. Further no instance of audit trail feature being tampered with was noted in respect of the accounting software, where the audit trail has been enabled.
- 44.** MCA has amended the Rule 3 of the Companies (Accounts) Rules, 2014 (the "Accounts Rules") vide notification dated August 05, 2022, relating to the mode of keeping books of account and other books and papers in electronic mode. Back-ups of the books of account and other books and papers of the Company maintained in electronic mode are now required to be retained on a sever located in India on daily basis (instead of back-ups on a periodic basis as provided earlier) as prescribed under Rule 3(5) of the Accounts Rules. With respect to the above, the Company has complied with the requirement for all the IT applications except for an application software wherein the backup maintained in electronic mode has not been maintained on servers physically located in India on daily basis.

45. 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 under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(x) The Company has not declared or paid any dividend during the year hence, compliance with the provisions of section 123 of the Companies Act, 2013 is not applicable.

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

46. The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the Code came into effect on 3 May 2023. However, the final rules/interpretation have not yet been issued. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

47. Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

As per our report of even date

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

per **Sandeep Karnani**
Partner
Membership No.: 061207

Place: Bengaluru, India
Date: May 10, 2024

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

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

Sumit Kumar
Chief Financial Officer

Place: Bengaluru, India
Date: May 10, 2024

Nisha Dutt
Managing Director &
Chief Executive Officer
DIN : 06465957
Place: Bengaluru, India

G V Krishnakanth
Company Secretary &
Compliance Officer

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, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024
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	61.74	105.03	83.41	83.41	1	22.71	0.75	1	1	1
Share capital/ Partners capital	3,986	41	49,806	-	500	27	0	14,673	838	225
Reserve & Surplus	(3,015)	7,083	(50,326)	(306)	(495)	(2,186)	(133)	-	-	4
Total assets	1586	11093	600	1780	68	2862	1278	18223	3140	237
Total liabilities	615	3969	1120	2086	63	5021	1411	3550	2302	8
Investments	-	-	-	-	-	-	-	6,861	-	-
Turnover*	3759	18236	1189	6418	0	3932	431	1860	4724	0
Profit/(loss) before taxation	122	(616)	58	262	(3)	(66)	16	(13961)	(864)	9
Profit/(loss) after taxation	127	(875)	(41)	254	(3)	(94)	(32)	(13955)	(887)	6
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

**** Represents 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: Bengaluru, India

Sumit Kumar

Chief Financial Officer

Place: Bengaluru, India

Date: May 10, 2024

Nisha Dutt

Managing Director & Chief Executive Officer

DIN : 06465957

Place: Bengaluru, India

G V Krishnakanth

Company Secretary & Compliance Officer

Place: Bengaluru, India

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, 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material 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, 2024, their consolidated loss including other comprehensive income, 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, 2024. 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
Impairment of Goodwill (as described in note 2(c), 2(e) and 5 to the accompanying consolidated Ind AS financial statements)	
As at March 31, 2024, the Group's goodwill balance amounts to ₹ 19,614 lakhs (net of impairment). 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 mandatorily on annual basis 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.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: - We assessed whether the Group's accounting policy with respect to impairment is in accordance with Ind AS 36 "Impairment of assets". - We assessed the Group's methodology applied in determining the CGUs to which goodwill is allocated. - We have carried out assessment of forecasts of future cash flows prepared by the management, evaluating the assumptions and comparing the estimates to externally available industry, economic and financial data.

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, profitability and terminal growth. Due to the uncertainty of forecasting and discounting future cash flows, being inherently subjective, the level of management's judgement involved and the materiality of the goodwill to the Group's consolidated Ind AS financial statements as a whole as at March 31, 2024, we have considered this as a key audit matter. The basis of impairment of goodwill is presented in the accounting policies in Note 2(c) and 2(e) to the consolidated Ind AS financial statements.	• We have also assessed the valuation methodology and the key assumptions adopted in the cash flow forecasts with the support of our in-house valuation experts. • We also assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. • We discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate whether the inputs and assumptions used in the cash flow forecasts were appropriate. • We discussed with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same to assess their reasonableness. • We tested the arithmetical accuracy of the financial projection model. • We assessed the Group's disclosures concerning this in Note 2(c) on significant accounting estimates and judgements and Note 5 pertaining to the disclosures of goodwill to the accompanying consolidated Ind AS financial statements.
Evaluation of key tax matters (as described in note 2(c), 2(s), 2(t) and 33 to the accompanying 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 Ind AS financial statements, which have been a matter of significance during the audit and hence considered as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • 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; • 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; • We obtained details of tax assessments, demands issued by tax authorities, orders/notices received with respect to ongoing litigations from the management; • We evaluated appropriateness of assumptions made by the Group in estimating the current and deferred tax balances; • We involved tax specialists to review the status of tax assessments and management's position in relation to ongoing disputes regarding likelihood assessment of exposure carried out by the management; and • We assessed the Group's disclosures concerning this in Note 2(c) on significant accounting estimates and judgements and Note 33 pertaining to the disclosures of contingent liability to the accompanying consolidated Ind AS financial statements.
Revenue recognition (as described in note 2(c), 2(f) and 23 to the accompanying 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. In accordance with Ind AS 115, the Company classifies its various contracts with customers and determines whether revenue should be recognized at "point in time" or "over the time" basis.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We assessed the revenue recognition accounting policies by comparing with applicable accounting standards. • We tested key controls (both design and operating effectiveness) with respect to revenue recognition and related cost estimations.

There are various areas involving complexities, judgements and estimates involved in accounting for revenue recognized on “over the time” basis, including • Estimation of total costs/ efforts at inception and remaining costs/ efforts to completion, which is a critical factor in measuring progress of a contract and amounts of revenue to be recognized; and • Assessment of various risks emanating from operational delays, contract terms, changes in estimations and scope, accounting for onerous obligations, technical, legal, external environment etc. This requires the Company to estimate various costs to capture such risks. In view of the above and because the Group and its external stakeholders focus on revenue as a key performance indicator, we determined this area to be an area involving significant risk, an area of audit focus, and accordingly a key audit matter.	• We carried out analytical procedures on revenue recognized during the year ended to identify unusual variances. • We performed substantive testing by selecting samples of revenue transactions, recorded during the year ended by testing the underlying documents using statistical sampling. • We evaluated management’s estimates (Total contract costs/ efforts and remaining costs/ efforts to completion) by performing analytical procedures on such estimates. • We performed a retrospective review for contracts completed during the current year by comparing the final outcome of the contracts with previous estimates made for those contracts to assess the reliability of the management’s estimation process. • We performed tests for completeness and appropriateness of actual cost booked in the correct period, by testing the underlying documents for samples selected using statistical sampling. • We assessed the Group’s disclosures concerning this in Note 2(c) on significant accounting estimates and judgements and Note 23 pertaining to the disclosures of revenue from operations to the accompanying consolidated Ind AS financial statements.
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Other Information

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor’s report thereon. The other information is expected to be made available to us after the date of this auditor’s report.

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 identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management 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/Partners of the Companies/ Limited liability partnerships (LLPs) 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 their respective Companies/LLPs 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/Partners of the Companies/LLPs included in the Group are responsible for assessing the ability of their respective Companies/LLPs 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 their respective Companies/LLPs or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/Partners of the Companies/LLPs included in the Group are responsible for overseeing the financial reporting process of their respective Companies/LLPs.

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 and whose financial information we have audited, 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. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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, 2024 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(xx) 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 relating to the preparation of the consolidation of the financial statements, have been kept by the Company so far as it appears from our examination of those books except that, as stated in note 43 to the accompanying consolidated Ind AS financial statements as regards an application software wherein

the backup in electronic mode has not been maintained on servers physically located in India on daily basis and for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive income, 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, 2024 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, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph 2 (i) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended.
- (g) With respect to the adequacy 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, 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, 2024 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, 2024.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - 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 and as disclosed in note 44(v) to the accompanying consolidated Ind AS financial statements, 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 persons or entities, 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 and as disclosed in note 44(vi) to the accompanying consolidated Ind AS financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries, from any persons or entities, 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 and its subsidiary companies, incorporated in India.
- vi) Based on our examination which included test checks for companies incorporated in India whose financial statements have been audited under the Act, except for the instances discussed in note 42 to the consolidated Ind AS financial statements, the Holding Company and subsidiaries have used accounting software for maintaining its books of

account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered in respect of accounting software where the audit trail has been enabled.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Sandeep Karnani**

Partner

Membership Number: 061207

UDIN: 24061207BKBJWD3005

Place of Signature: Bengaluru, India

Date: May 10, 2024

Annexure 1 referred to in clause 1 of paragraph under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date. Re: Subex Limited ("the Holding Company")

(xxi) In terms of the information and explanations sought by us and given by the Holding 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 and based on the consideration of report of auditor in respect of a subsidiary, we state that the qualifications or adverse remarks by the respective auditors in their reports on Companies (Auditor's Report) Order, 2020 of the respective companies, as applicable, included in the Consolidated Financial Statements are:

Sl. No	Name	Corporate Identification Number ('CIN')	Holding company/ subsidiary/ Joint venture	Clause number of the CARO report which is qualified or is adverse
1	Subex Limited	L85110KA1994PLC016663	Holding Company	Clause (iii) Clause (xvii)
2	Subex Technologies Limited	U74140KA2005PLC035905	Subsidiary	Clause (vii)(a) Clause (xvii) Clause (xix)
3	Subex Account Aggregator Services Private Limited	U67110KA2022PTC161029	Subsidiary	Clause (xvii)

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Sandeep Karnani**

Partner

Membership number: 061207

UDIN:24061207BKBJWC3005

Place: Bengaluru

Date: May 10, 2024

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, 2024, 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 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 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 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 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 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 Consolidated Ind AS Financial Statements

A company's internal financial control with reference to 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 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 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 consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company 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 **Sandeep Karnani**

Partner

Membership Number: 061207

UDIN: 24061207BKBJWD3005

Place of Signature: Bengaluru

Date: May 10, 2024

CONSOLIDATED BALANCE SHEET

as at March 31, 2024

(₹ in Lakhs)

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	640	967
Right-of-use assets	29	2,524	3,158
Goodwill on consolidation	5	19,614	34,409
Other intangible assets	4	7	11
Financial assets			
Investments	7	165	165
Other financial assets	11	730	818
Income tax assets (net)	12	4,029	3,793
Deferred tax assets (net) (including MAT credit entitlement)	13	137	843
Other non-current assets	14	84	49
		27,930	44,213
Current assets			
Financial assets			
Loans	6	97	134
Investments	7	731	1,222
Trade receivables	8	10,155	9,037
Cash and cash equivalents	9	6,776	5,238
Other balances with banks	10	3,046	5,677
Other financial assets	11	417	261
Other current assets	14	3,820	4,580
		25,042	26,149
Total assets		52,972	70,362
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	28,100	28,100
Other equity	16	5,251	24,084
Total equity		33,351	52,184

CONSOLIDATED BALANCE SHEET (contd.)

as at March 31, 2024

(₹ in Lakhs)

	Notes	As at March 31, 2024	As at March 31, 2023
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	29	1,835	2,475
Provisions	20	268	222
Deferred tax liabilities (net)	21	7,033	6,904
		9,136	9,601
Current liabilities			
Financial liabilities			
Lease liabilities	29	981	864
Trade payables	17	2,412	1,262
Other financial liabilities	18	3,222	1,903
Other current liabilities	19	2,824	3,147
Provisions	20	642	663
Income tax liabilities (net)	22	404	738
		10,485	8,577
Total liabilities		19,621	18,178
Total equity and liabilities		52,972	70,362
Corporate information and material 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 **Sandeep Karnani**
Partner
Membership No.: 061207

Place: Bengaluru, India
Date: May 10, 2024

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

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

Sumit Kumar
Chief Financial Officer

Place: Bengaluru, India
Date: May 10, 2024

Nisha Dutt
Managing Director &
Chief Executive Officer
DIN : 06465957
Place: Bengaluru, India

G V Krishnakanth
Company Secretary &
Compliance Officer

Place: Bengaluru, India

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

(₹ in Lakhs)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
1	Income		
	Revenue from operations	23	30,972
	Other income	24	673
	Total income		31,645
2	Expenses		
	Employee benefits expense	25	20,900
	Finance costs	26	263
	Depreciation and amortization expense	27	1,559
	Other expenses	28	11,638
	Total expenses		34,360
3	Loss before exceptional items and tax expense (1-2)		(2,715)
4	Exceptional item		
	Impairment of goodwill	5	14,795
	Total exceptional item		14,795
5	Loss before tax expense (3-4)		(17,510)
6	Tax expense (net):		
	Current tax charge	22	75
	Provision - foreign income taxes (net)	22	752
	Deferred tax charge / (credit)	22	836
	Total tax expense		1,663
7	Net loss for the year (5-6)		(19,173)
8	Other comprehensive income ('OCI')		
	Items that will be reclassified subsequently to profit or loss:		
	Net exchange gain on translation of foreign operations		61
	Income tax effect on above		-
	Items that will not be reclassified subsequently to profit or loss:		
	Re-measurement (loss) / gain on defined benefit plans	35	(47)
	Income tax effect on above		-
	Total other comprehensive income, net of tax expense		14
9	Total comprehensive loss for the year attributable to equity shareholders, net of taxes (7+8)		(19,159)
10	Earnings per equity share [(EPS) - nominal value of ₹ 5/- per share (March 31, 2023: ₹ 5 per share)]	30	
	Basic (₹)		(3.47)
	Diluted (₹)		(3.47)
	Corporate information and material 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 **Sandeep Karnani**
Partner
Membership No.: 061207

Place: Bengaluru, India
Date: May 10, 2024

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

Anil Singhvi
Chairman, Non-Executive &
Non-Independent Director
DIN : 00239589
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Managing Director &
Chief Executive Officer
DIN : 06465957
Place: Bengaluru, India

G V Krishnakanth
Company Secretary &
Compliance Officer

Place: Bengaluru, India

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2024

(₹ in Lakhs)

		Year ended March 31, 2024	Year ended March 31, 2023
(A)	Cash flow from operating activities		
	Loss before tax expense	(17,510)	(3,906)
	Adjustments to reconcile loss before tax expense to net cash flows:		
	Depreciation of property, plant and equipment and right-of-use assets	1,555	1,396
	Amortization of intangible assets	4	3
	Loss / (gain) on disposal of property, plant and equipment (net)	1	(3)
	Interest income (including fair value changes)	(474)	(306)
	Net gain on sale of investments (including fair value changes)	(60)	(62)
	Finance costs (including fair value changes)	263	255
	Allowance for expected credit loss / bad debts written off (net)	620	1,991
	Employee share based payments expense	123	231
	Gain on termination/ modification of lease agreement	-	(55)
	Impairment of goodwill (refer note 5)	14,795	-
	Net foreign exchange differences	234	(407)
	Operating (loss) / profit before working capital changes	(449)	(863)
	Working capital adjustments:		
	(Increase)/ decrease in loans	40	50
	(Increase)/ decrease in trade receivables	(1,959)	(328)
	(Increase)/ decrease in other financial assets and other assets	714	2,922
	Increase/ (decrease) in trade payables	1,282	(747)
	Increase/ (decrease) in other financial liabilities	1,349	299
	Increase/ (decrease) in other current liabilities	(367)	331
	Increase/ (decrease) in provisions	(45)	(293)
		565	1,370
	Income tax paid (net of refund)	(1,393)	(449)
	Net cash flows (used in) / from operating activities	(828)	921
(B)	Cash flow from investing activities		
	Purchase of property, plant and equipment, other intangible assets and capital advances	(273)	(493)
	Proceeds from sale of property, plant and equipment	9	4
	Investments in equity instruments	-	(165)
	Proceeds from sale of investments in mutual fund (net of purchase)	551	6
	Net withdrawal / (investment) in deposit account	2,761	(3,319)
	Interest received	267	190
	Net cash flows from / (used in) investing activities	3,315	(3,777)

CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)

for the year ended March 31, 2024

		(₹ in Lakhs)	
		Year ended March 31, 2024	Year ended March 31, 2023
(C)	Cash flow from financing activities		
	Proceeds from exercise of employee stock options plans	203	101
	Unclaimed dividend paid	(1)	-
	Interest paid on lease liabilities	(241)	(220)
	Repayment of principal portion of lease liabilities	(895)	(532)
	Net cash flows (used in) / from financing activities	(934)	(651)
(D)	Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,553	(3,507)
	Net foreign exchange difference on cash and cash equivalents	(15)	206
	Cash and cash equivalents at the beginning of the year	5,238	8,539
(E)	Cash and cash equivalents at the end of the year (refer note 9)	6,776	5,238

Explanatory notes to consolidated statement of cash flows

Changes in liabilities arising from financing activities:-

		(₹ in Lakhs)	
		Lease liability	Unclaimed dividend
As at April 1, 2022		1,468	28
Non cash changes			
	Additions	3,380	-
	Interest on lease liabilities	220	-
	Deletions	(1,007)	-
	Cash flows	(752)	-
	Net foreign exchange difference	30	
As at March 31, 2023		3,339	28
Non cash changes			
	Additions	368	-
	Interest on lease liabilities	241	-
	Cash flows	(1,136)	(1)
	Net foreign exchange difference	4	-
As at March 31, 2024		2,816	27

Corporate information and material 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 **Sandeep Karnani**

Partner

Membership No.: 061207

Place: Bengaluru, India

Date: May 10, 2024

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

Anil Singhvi

Chairman, Non-Executive &

Non-Independent Director

DIN : 00239589

Place: Bengaluru, India

Sumit Kumar

Chief Financial Officer

Place: Bengaluru, India

Date: May 10, 2024

Nisha Dutt

Managing Director &

Chief Executive Officer

DIN : 06465957

Place: Bengaluru, India

G V Krishnakanth

Company Secretary &

Compliance Officer

Place: Bengaluru, India

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

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, 2022	56,20,02,935	28,100
Issued during the year	-	-
As at March 31, 2023	56,20,02,935	28,100
Issued during the year	-	-
As at March 31, 2024	56,20,02,935	28,100

B. Other equity (refer note 16):

(₹ in Lakhs)

Particulars	Attributable to equity holders of the Company						Total
	Reserves and surplus					OCI	
	Securities premium	General reserve	Employee stock options reserve	Treasury shares	Retained earnings	Foreign currency translation reserve	
As at April 1, 2022	16,558	1,787	267	(697)	21,655	(11,303)	28,267
Loss for the year	-	-	-	-	(5,121)	-	(5,121)
Other comprehensive income/(loss)	-	-	-	-	39	581	620
Total comprehensive (loss) / income*	-	-	-	-	(5,082)	581	(4,501)
Employee share based payments expense (refer note 25 & 34)	-	-	232	-	-	-	232
On account of exercise of stock options	26	-	(22)	82	-	-	86
On account of vested options lapsed during the year	-	33	(33)	-	-	-	-
As at March 31, 2023	16,584	1,820	444	(615)	16,573	(10,722)	24,084
Loss for the year	-	-	-	-	(19,173)	-	(19,173)
Other comprehensive (loss)/ income	-	-	-	-	(47)	61	14
Total comprehensive (loss) / income*	-	-	-	-	(19,220)	61	(19,159)
Employee share based payments expense (refer note 25 & 34)	-	-	123	-	-	-	123
On account of exercise of stock options	73	-	(53)	183	-	-	203
On account of vested options lapsed during the year	-	171	(171)	-	-	-	-
As at March 31, 2024	16,657	1,991	343	(432)	(2,647)	(10,661)	5,251

*As required under Ind AS compliant Schedule III, the Group has recognised remeasurement gains/(losses) of defined benefit plans as part of retained earnings.

Corporate information and material 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 **Sandeep Karnani**
Partner
Membership No.: 061207

Place: Bengaluru, India
Date: May 10, 2024

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

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

Sumit Kumar
Chief Financial Officer

Place: Bengaluru, India
Date: May 10, 2024

Nisha Dutt
Managing Director &
Chief Executive Officer
DIN : 06465957
Place: Bengaluru, India

G V Krishnakanth
Company Secretary &
Compliance Officer

Place: Bengaluru, India

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

1. Corporate information

- (a) Subex Limited ("the Company" or "Subex" or "holding company" or "parent company") bearing corporate identification number ("CIN") L85110KA1994PLC016663, 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.

- (b) Effective November 1, 2017, the Company had 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.

- (c) Pursuant to approval of the Board of Directors and Shareholders of the Company for restructuring of the business, effective April 1, 2022, certain assets and liabilities of Subex Assurance LLP ("SA LLP"), wholly owned subsidiary, were transferred to the Company for an aggregate consideration of ₹ 9,229 Lakhs. The aforesaid restructuring was being carried out to achieve higher operational efficiencies upon integration and consolidation of business in the listed entity. SA LLP continues to hold revenue maximisation solutions intellectual property rights ("IPR") & related research and development unit, investment in subsidiaries, cash and bank balances and other related balances. SA LLP earns royalty on use of such IPR by the Company.

Effective from April 1, 2022, SA LLP had transferred its assets and liabilities for a purchase consideration of ₹ 9,229 Lakhs: These consolidated financial statements for the year ended March 31, 2024, comprise financial statements of Subex Limited and its subsidiaries (collectively hereafter referred to as "the Group").

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, 2024

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, 2024	March 31, 2023
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	100

* Represents non-operating companies.

All the above subsidiaries are under the same management and are engaged in the same principal activities as the holding company.

These consolidated financial statements for the year ended March 31, 2024, are approved by the Board of Directors on May 10, 2024.

2. Material accounting policies

a. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

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 Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

The consolidated financial statements provide comparative information in respect of the previous period.

The consolidated financial statements are presented in INR ("₹") and all the values are rounded off to the nearest Lakhs (INR 00,000) except when otherwise indicated.

b. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group 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.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

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 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, 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.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, 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). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.
- The ESOP Trust is consolidated in the 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 of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when
- control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

c. Significant accounting estimates, assumptions and judgements

The preparation of the Group's consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the disclosure of contingent assets and liabilities on the date of the consolidated financial statements and other the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Revisions to accounting estimates are recognised in the year in which the estimates are revised, and future periods are affected.

Significant judgements and estimates relating to carrying values of assets and liabilities include revenue recognition, impairment of non-financial assets including goodwill, impairment of financial assets, fair value measurement of financial instruments, defined benefit plans (gratuity benefits), share-based payments, provision for expected credit losses of trade receivables and contract assets, taxes, contingencies, leases - determining the lease term of contracts with renewal and termination options.

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 its fixed-price contracts. Use of the percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended 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 period in which such losses become probable based on the expected contract estimates at the reporting date.

Further, the percentage-of-completion method places considerable importance on accurate estimates to the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These

significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. This requires the Group to estimate various costs to capture such risks, including liquidated damages and warranties. The Group re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

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. Also refer note 2(j).

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 contract assets 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).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

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(f).

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. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a Black-Scholes model.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 34.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 39.

Taxes

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous assessments and interpretations of tax regulations by the Group.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. Refer note 33 for further disclosures.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

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. 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 is held 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

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at

the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- o Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- o Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- o Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- o Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- o Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

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. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

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, 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 profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

f. Revenue from contracts with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

The Group derives its revenues from sale and implementation of its proprietary software license and managed/ support 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 transaction price of services rendered.

Revenue from managed/ support services is recognized when the services are rendered in accordance with the terms of contracts over the period of the contracts.

Revenue from sale of hardware under reseller arrangements is recognized when control of the goods is transferred to the buyer, usually on delivery of goods to customers.

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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 maintenance 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.

Contract balances

Contract assets: A contract asset is initially recognised for revenue from implementation and customisation services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section 2(j).

Trade receivables: A trade receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies on impairment of financial assets in section 2(j).

Contract liabilities: A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised 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 recognised 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 recognised 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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognised.

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h. Intangible assets (excluding goodwill on consolidation)

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the consolidated statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any 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

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit and loss. The Group recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Financial Instruments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset (or CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. To estimate cash flow projections beyond periods covered by the most recent

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budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the Group operates, or for the market in which the asset is used.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised.

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.

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. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable,

variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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 financial liabilities are recognised when the Group becomes a party to the contract that gives rise to financial assets and liabilities. All financial assets and financial liabilities contracts are initially measured at transaction cost and where such values are different from the fair value, 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. The transaction costs directly attributable to the acquisition of

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financial assets and financial liabilities at fair value through profit or loss are immediately recognised in consolidated statement of profit and loss.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in section 2(f) Revenue recognition.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Subsequent measurement

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. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the

Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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.

De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

Financial liabilities

Measurement

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and 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.

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified,

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such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- i) Disclosures for valuation methods, significant estimates and assumptions
- ii) Quantitative disclosures of fair value measurement hierarchy
- iii) Financial instruments (including those carried at amortised cost)

m. Borrowing costs

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

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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). Further details are given in Note 34.

That cost is recognised, together with a corresponding increase in employee stock options reserves in other equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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 Securities premium. 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

Retirement benefit in the form of provident fund and pension fund are defined contribution scheme. The Group has no obligation, other than the contribution payable. The Group recognizes contribution payable to provident fund and pension fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The cost of providing benefits under the defined benefit plans i.e. gratuity, is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date.

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Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- a) The date of the plan amendment or curtailment, and
- b) The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b) Net interest expense or income.

Short-term employee benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. 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. The Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

Long-term employee benefits

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

The Group presents the leave as a current liability in the consolidated balance sheet, to the extent 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 holding 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 Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances:

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the

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date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies:

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI as foreign currency translation reserve. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

s. Taxes on income

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year.

Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Group's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction

either in OCI or directly in equity. 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 tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred 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 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 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 relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

Minimum alternate tax (MAT) paid in a year is charged to the consolidated statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the consolidated statement of profit and loss and shown as part of deferred tax asset. 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.

t. Provision and contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits 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, provisions are 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.

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because;

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or

- the amount of the obligation cannot be measured with sufficient reliability.

The Group does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by- the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Group does not recognize the contingent asset in its consolidated financial statements since this may result in the recognition of income that may never be realised. Where an inflow of economic benefits are probable, the Group disclose a brief description of the nature of contingent assets at the end of the reporting period. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and the Group recognize such assets.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

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 per share is calculated by dividing the net profit or loss attributable to equity holder of the Company by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

w. Cash and Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

For the purpose of the Consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, are considered an integral part of the Group's cash management.

x. Exceptional Items

Exceptional Items represents the nature of transactions which are not in recurring nature during the ordinary course of business but lead to increase/ decrease in profit/ loss for the year.

y. Changes in accounting policies and disclosures:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 01, 2023.

Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments does not have material impact on the consolidated financial statements of the Group.

Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

These amendments does not have material impact on the consolidated financial statements of the Group.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after April 01, 2023.

These amendments does not have material impact on the consolidated financial statements of the Group.

z. Standards notified but not yet effective

There are no standards that are notified and not yet effective as on the date.

aa. Climate – related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

3. Property, plant and equipment

(₹ in Lakhs)

	Computer equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Office equipment	Total
Cost						
As at April 1, 2022	2,956	42	2	293	179	3,472
Additions	449	5	24	69	7	554
Disposals	-	-	(2)	-	-	(2)
Net foreign exchange difference	24	-	-	-	-	24
As at March 31, 2023	3,429	47	24	362	186	4,048
Additions	182	2	24	7	18	233
Disposals	(124)	-	-	-	(1)	(125)
Net foreign exchange difference	(2)	-	-	-	-	(2)
As at March 31, 2024	3,485	49	48	369	203	4,154
Depreciation						
As at April 1, 2022	2,289	35	2	69	118	2,513
Charge for the year*	476	2	0	67	21	566
Disposals	-	-	(2)	-	-	(2)
Net foreign exchange difference	4	-	-	-	-	4
As at March 31, 2023*	2,769	37	0	136	139	3,081
Charge for the year	446	3	5	74	21	549
Disposals	(114)	-	-	-	(1)	(115)
Net foreign exchange difference	(1)	-	-	-	-	(1)
As at March 31, 2024	3,100	40	5	210	159	3,514
Net block						
As at March 31, 2023	660	10	24	226	47	967
As at March 31, 2024	385	9	43	159	44	640

* Depreciation charge for vehicles amounts to ₹ 11,870 which is presented as '0' due to rounding off.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

4. Intangible assets

(₹ in Lakhs)

	Computer software	Total
Cost		
As at April 1, 2022	107	107
Additions	-	-
Disposals	-	-
Net foreign exchange difference	-	-
As at March 31, 2023	107	107
Additions	-	-
Disposals	-	-
Net foreign exchange difference	-	-
As at March 31, 2024	107	107
		-
Amortization		-
As at April 1, 2022	93	93
Amortization for the year	3	3
Disposals	-	-
Net foreign exchange difference	-	-
As at March 31, 2023	96	96
Amortization for the year	4	4
Disposals	-	-
Net foreign exchange difference	-	-
As at March 31, 2024	100	100
Net block		
As at March 31, 2023	11	11
As at March 31, 2024	7	7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

5. Goodwill on consolidation

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Carrying value as at beginning of the year	34,409	34,409
Less: Impairment of goodwill	(14,795)	-
Carrying value as at end of the year	19,614	34,409

Below is the Cash Generating Unit ('CGU') wise break-up of goodwill:

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Revenue Management Solutions ('RMS')	19,614	33,444
Data Integrity Management ('DIM')	-	965
	19,614	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. Further during the year, based on the valuation assessment carried out by an external expert in respect of carrying value of goodwill and considering the significant investment required to keep the pace with the transformation in telecom sectors, the management made an impairment provision of ₹ 14,795 lakhs towards such goodwill. The same is disclosed as an exceptional item in the consolidated financial statements for the year ended March 31, 2024. The carrying value of goodwill post aforesaid impairment is dependent on the achievement of valuation assumptions as considered by the management which the management believes reasonably reflects the future growth and profitability of the Group.

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. The range of each assumption used is mentioned below:

	As at March 31, 2024	As at March 31, 2023
Growth rate	3% to 14.4%	3% to 28%
Operating margins	6.7% to 21.9%	14% to 51%
Discount rate	16.04% to 16.32%	14.55% to 15.05%

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, 2024	As at March 31, 2023
Current		
Unsecured, considered good		
Loans to employees	97	134
Total	97	134

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

7. Investments

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Non current Investments		
Investment carried at fair value through other comprehensive income[^]		
Investment in Privasapien Technologies Private Limited	165	165
[33,352 compulsory convertible preference shares of ₹ 2 each, fully paid (March 31, 2023 : 33,352 compulsory convertible preference shares of ₹ 2 each)]		
	165	165

[^]Investments carried at fair value through other comprehensive income reflect investment ('FVTOCI') in compulsory convertible preference share. These compulsory convertible preference share are designated as FVTOCI as they are not held for trading purpose. Thus, disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding. Refer note 37 for determination of their fair values.

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Current Investments		
Unquoted		
Investment carried at fair value through statement of profit or loss account		
Investment in unquoted mutual funds	731	1,222
	731	1,222

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	Nos	Nos	(₹ in Lakhs)	(₹ in Lakhs)
SBI Overnight Fund Regular Growth [Face value ₹ 1,000 (March 31, 2023: ₹ 1,000)]	7,801	-	300	-
Sundaram Overnight Fund Direct Growth [Face value ₹ 1,000 (March 31, 2023: ₹ 1,000)]	17,314	-	221	-
Nippon India Liquid Fund Growth [Face value ₹ 1,000 (March 31, 2023: ₹ 1,000)]	1,887	5,705	110	314
SBI Liquid Fund Regular Growth [Face value ₹ 1,000 (March 31, 2023: ₹ 1,000)]	2,677	-	100	-
SBI Savings Fund Direct Growth [Face value ₹ 10 (March 31, 2023: ₹ 10)]	-	8,18,381	-	308
Nippon India Money Market Fund Direct growth [Face value ₹ 1,000 (March 31, 2023: ₹ 1,000)]	-	8,566	-	304
SBI Liquid Fund Direct Growth [Face value ₹ 1,000 (March 31, 2023: ₹ 1,000)]	-	4,260	-	150
SBI Overnight Fund Direct Growth [Face value ₹ 1,000 (March 31, 2023: ₹ 1,000)]	-	4,000	-	146
	29,679	8,40,912	731	1,222

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

8. Trade receivables

Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good	10,155	9,037
Unsecured, credit impaired	4,604	3,897
Total (a)	14,759	12,934
Impairment allowance (allowance for expected credit loss)		
Trade receivable, credit impaired	(4,604)	(3,897)
Total (b)	(4,604)	(3,897)
Net Trade Receivables (a+b)	10,155	9,037

Trade receivables ageing schedule:

As at March 31, 2024

(₹ 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	990	5,395	2,783	851	-	18	118	10,155
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	23	196	746	414	244	1,623
Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	471	1,069	1,441	2,981
Total	990	5,395	2,806	1,047	1,217	1,501	1,803	14,759
Less: Impairment allowance (allowance for expected credit loss)								(4,604)
Net Trade Receivables								10,155

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

8. Trade receivables (contd.)

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	4,401	2,054	1,139	18	126	-	9,037
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	27	245	551	84	164	1,071
Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	319	1,053	559	895	2,826
Total	1,299	4,401	2,081	1,703	1,622	769	1,059	12,934
Less: Impairment allowance (allowance for expected credit loss)								(3,897)
Net Trade Receivables								9,037

No trade or other receivable are due from directors or other officers of the Group 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 120 days.

9. Cash and cash equivalents

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Balance with banks		
In current accounts	2,434	3,800
In Exchange Earners' Foreign Currency ('EEFC') accounts	19	33
Deposits with original maturity less than 3 months	4,323	1,405
A	6,776	5,238
Other balances with banks		
Earmarked balances with banks being unpaid dividend accounts	27	28
Deposits with original maturity more than 3 months less than 12 months	2,859	5,524
Margin money deposits with original maturity more than 3 months less than 12 months	160	125
	3,046	5,677
Less: Disclosed under Other balances with banks (Current) (refer note 10)	(3,046)	(5,677)
B	-	-
(A+B)	6,776	5,238

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise Balance with banks as stated above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

10. Other balances with banks

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Other bank balances (refer note 9)		
Earmarked balances with banks being unpaid dividend accounts*	27	28
Deposits with original maturity more than 3 months less than 12 months	2,859	5,524
Margin money deposits with original maturity more than 3 months less than 12 months	160	125
	3,046	5,677

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

11. Other financial assets

Unsecured, considered good

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Carried at amortized cost		
Security deposits	721	697
Margin money deposits with remaining maturity more than 12 months	9	121
	730	818
Current		
Carried at amortized cost		
Interest accrued but not due on bank deposits	244	69
Margin money deposits with remaining maturity less than 12 months	170	186
Derivative instruments carried at fair value through statement of profit and loss account		
Foreign currency forward contract	3	6
	417	261

12. Income tax assets (net)

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Advance income-tax [net of provision for taxation ₹ 2,170 Lakhs (March 31, 2023: ₹ 2,216 Lakhs)]	4,029	3,793
	4,029	3,793

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

13. Deferred tax assets (net) (including MAT credit entitlement)*

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Minimum alternative tax ("MAT") credit entitlement	561	561
Less: Provision for MAT credit**	(425)	(425)
A	136	136
Deferred tax assets (net)		
Depreciation and amortization expense: Difference between tax depreciation and depreciation and amortization expense as per financials statements	1	5
Deferred tax asset recognised on carry forward losses^	-	702
B	1	707
(A+B)	137	843

* Also refer note 21 and note 22.

**MAT credit entitlement of ₹ 425 Lakhs (March 31, 2023: ₹ 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. During the year ended March 31, 2024, the Group has reassessed the recoverability of deferred tax asset and has charged the same to the consolidated statement of profit and loss for the year ended March 31, 2024. In respect of remaining unused tax losses in entities within the Group would reassess and recognise deferred tax asset when it is probable that taxable profits would be available against which such tax losses can be utilised.

14. Other assets

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Prepaid expenses	84	49
Balance with statutory/ government authorities*	267	267
Less: Provision for service tax receivable	(267)	(267)
	84	49
Current		
Balance with statutory/ government authorities	48	140
Contract assets (net of provision amounting to ₹ 616 lakhs (March 2023: ₹ 610 lakhs)	3,224	3,790
Prepaid expenses	469	580
Advance to suppliers	70	66
Expenses incurred on behalf of customers	9	4
	3,820	4,580

* 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 its realisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

15. Equity share capital

	No.	₹ in Lakhs
Authorised share capital		
Equity shares of ₹ 5 each		
As at April 1, 2022	1,17,60,80,000	58,804
Increase during the year	-	-
As at March 31, 2023	1,17,60,80,000	58,804
Increase during the year	-	-
As at March 31, 2024	1,17,60,80,000	58,804
Preference shares of ₹ 98 each		
As at April 1, 2022	2,00,000	196
Increase during the year	-	-
As at March 31, 2023	2,00,000	196
Increase during the year	-	-
As at March 31, 2024	2,00,000	196
Issued, subscribed and fully paid-up share capital		
Equity shares of ₹ 5 each		
As at April 1, 2022	56,20,02,935	28,100
Issued during the year	-	-
As at March 31, 2023	56,20,02,935	28,100
Issued during the year	-	-
As at March 31, 2024	56,20,02,935	28,100

a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5 per share. 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, 2024 and as at March 31, 2023, there is no individual shareholder or shareholder (together with 'Persons acting in concert') holding more than 5% shares of the Company.

c) Number of shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 34.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

15. Equity share capital (contd.)

d) Number of treasury shares outstanding

	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	1,11,10,800	1,25,33,720
Add: Additions during the year	-	-
Less: Exercise during the year	(33,33,751)	(14,22,920)
Balance as at end of the year	77,77,049	1,11,10,800

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

f) The Company has not allotted any fully paid-up equity shares by way of bonus shares or for consideration other than cash and has not bought back any class of equity shares during the period of five years immediately preceding the balance sheet date.

16. Other equity

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Securities premium		
Balance as at beginning of the year	16,584	16,558
Add: On account of exercise of stock options	73	26
Closing balance	16,657	16,584
General reserve		
Balance as at beginning of the year	1,820	1,787
Add: On account of vested options lapsed during the year	171	33
Closing balance	1,991	1,820
Employee stock options reserve		
Balance as at beginning of the year	444	267
Add: Employee share based payments expense (refer note 34)	123	232
Less: On account of exercise of stock options	(53)	(22)
Less: On account of vested options lapsed during the year	(171)	(33)
Closing balance	343	444
Foreign currency translation reserve		
Balance as at beginning of the year	(10,722)	(11,303)
Add: Effect of foreign exchange rate variations during the year	61	581
Closing balance	(10,661)	(10,722)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

16. Other equity (contd.)

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Treasury Shares		
Balance as at beginning of the year	(615)	(697)
Add: On account of exercise of stock options	183	82
Closing balance	(432)	(615)
Retained earnings		
Balance as at beginning of the year	16,573	21,655
Add: (Loss)/ profit for the year	(19,173)	(5,121)
Less: Re-measurement (loss) / gain on defined benefit plans	(47)	39
Closing balance	(2,647)	16,573
Summary of other equity:		
Securities premium	16,657	16,584
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.		
General reserve	1,991	1,820
This represents appropriation of profit by the Group. Also, the amounts recorded in employee stock option reserve are transferred to general reserve on account of lapse of vested stock options.		
Employee stock options reserve	343	444
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/ lapse of stock options. Refer note 32 & 34 for further details of these plans.		
Foreign currency translation reserve	(10,661)	(10,722)
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 in the foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.		
Treasury Shares	(432)	(615)
This represents own equity shares that are acquired from open market for issuance to employees under ESOP scheme.		
Retained earnings	(2,647)	16,573
This represents (deficit)/surplus arising from operations of the Group, net of appropriations.		
Total other equity	5,251	24,084

16(a) Distributions made and proposed

No dividend has been declared by the Company during the year March 31, 2024 and March 31, 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

17. Trade payables

Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Current		
Trade payables	2,412	1,262
	2,412	1,262

Trade payable ageing schedule

As at March 31, 2024

(₹ 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	
Undisputed outstanding dues of creditors	1,664	294	454	-	-	-	2,412
Disputed outstanding dues of creditors	-	-	-	-	-	-	-
Total	1,664	294	454	-	-	-	2,412

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	
Undisputed outstanding dues of creditors	721	330	211	-	-	-	1,262
Disputed outstanding dues of creditors	-	-	-	-	-	-	-
Total	721	330	211	-	-	-	1,262

Terms and conditions of the above financial liabilities:

- trade payables are non-interest bearing and are normally settled on 30 - 45 days terms.
- for explanations on the Group's liquidity risk management, refer note 38.

18. Other financial liabilities

Carried at amortized cost

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Current		
Accrued salaries and benefits	3,166	1,804
Capital creditors	29	71
Unclaimed Dividend	27	28
	3,222	1,903

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

19. Other current liabilities

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Unearned revenue	2,060	2,307
Statutory dues	764	840
	2,824	3,147

20. Provisions

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Provisions for employee benefits		
Gratuity [refer note 35(b)]	268	222
	268	222
Current		
Provisions for employee benefits		
Gratuity [refer note 35(b)]	137	127
Leave benefits	505	536
	642	663

21. Deferred tax liabilities (net)*

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Deferred tax liabilities		
Tax impact pursuant to restructuring	7,058	7,058
A	7,058	7,058
Deferred tax assets		
Provisions for employee benefits and others	25	154
B	25	154
(A-B)	7,033	6,904

*Also, refer note 22.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

22. Income tax liabilities (net)

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Provision for tax [net of advance tax ₹ 101 Lakhs (March 31, 2023: Nil)]	35	-
Provision - foreign income taxes	309	576
Provision for litigation* refer note 33(i)	60	162
	404	738

*Provision for litigation consists of matters which are sub-judice.

The movement in provision for litigation balance is as follows :

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	162	162
Provision utilised during the year	(102)	-
Closing balance	60	162

Income tax expense in the consolidated statement of profit and loss consist of the following:

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Tax expense:		
Current tax charge	75	89
Provision - foreign income taxes [Refer note I]	752	1,660
Deferred tax charge / (credit) (net) [Refer note II]	836	(534)
Total tax expense	1,663	1,215

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

22. Income tax liabilities (net) (contd.)

Reconciliation of tax to the amount computed by applying the statutory income tax rate to the income before tax is summarized below:

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
(Loss)/ Profit before tax expense	(17,510)	(3,906)
Applicable tax rates in India	34.94%	34.94%
Computed tax charge (A)	(6,119)	(1,365)
Components of tax expense:		
Provision for foreign withholding taxes (net) [Refer note i]	752	1,660
Deferred tax charge / (credit) on carry forward losses [Refer note ii]	702	(702)
Expenses disallowed for tax purposes	20	157
Deferred tax asset not recognised on income tax losses/timing differences [Refer note ii]	6,248	1,044
Others	60	421
Total adjustments (B)	7,782	2,580
Total tax expense (A+B)	1,663	1,215

Notes:

- 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 ₹ 752 Lakhs (March 31, 2023: ₹ 1,660 lakhs) has been created during the year ended March 31, 2024.
- Consequent to restructuring mentioned in note 1(c), the management recognised deferred tax assets of ₹ 702 Lakhs. During the year ended March 31, 2024, the Group has reassessed the recoverability of deferred tax asset and has charged the same to the consolidated statement of profit and loss for the year ended March 31, 2024. In respect of remaining unused tax losses, the Group would reassess and recognise deferred tax asset when it is probable that taxable profits would be available against which such tax losses can be utilised.

23. Revenue from operations

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products	1,557	1,047
Sale of services	29,415	26,822
	30,972	27,869
Disaggregation of revenue:		
Revenue by offering		
Sale of products (recognized at a point in time)		
Sale of license	1,317	1,047
Sale of hardware	240	-
Sale of services (recognized over a period of time)		
Implementation and customisation	9,513	7,362
Managed services	8,545	8,862
Support services	11,357	10,598
	30,972	27,869

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

23. Revenue from operations (contd.)

(i) Contract balances

The following are the contract balances

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Trade receivables (current) (refer note 8)	10,155	9,037
Contract assets (current) (refer note 14)	3,224	3,790
Contract liability- unearned revenue (current) (refer note 19)	2,060	2,307
	15,439	15,134

- (a) Contract asset relates to revenue recognised initially from implementation and customisation services because the receipt of consideration is conditional on successful completion of the installation.
- (b) Contract liability- unearned revenue represents billings in excess of revenues.
- (c) During the year ended March 31, 2024, the Group recognized revenue of ₹ 1,915 Lakhs (March 31, 2023: ₹ 3,170 Lakhs) arising from contract liability as at beginning of the year. Further, during the year ended March 31, 2024, the Group has billed ₹ 2,673 Lakhs (March 31, 2023: ₹ 4,588 Lakhs) from contract assets as at beginning of the year. Further 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, 2024, other than those contracts wherein invoicing is on time and material basis is ₹ 10,170 Lakhs (March 31, 2023: ₹ 5,807 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 72% 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, 2024	Year ended March 31, 2023
Interest income on:		
Security deposits	32	25
Bank deposits	442	225
Others	-	56
Income from investment in mutual fund	60	62
Insurance claim	-	79
Gain on termination of lease	-	55
Net gain on disposal of property, plant and equipment	-	4
Other non-operating income	139	310
	673	816

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

25. Employee benefits expense

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	19,024	17,976
Contribution to provident and other funds [refer note 35(a)]	1,072	1,200
Employee share based payments expense [refer note 34]	123	232
Gratuity expense [refer note 35 (b)]	121	109
Staff welfare expenses	560	552
	20,900	20,069

26. Finance cost

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on lease liability	241	220
Finance cost on Actuarial valuation	22	35
Interest others	-	3
	263	258

27. Depreciation and amortization expense

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of property, plant and equipment	549	566
Depreciation on right-of-use assets	1,006	830
Amortization of intangible assets	4	3
	1,559	1,399

28. Other expenses

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Cost of hardware, software and support charges	1,126	261
Sub-contract charges	2,574	2,261
Rent	604	758
Power and fuel	181	155
Repairs and maintenance	1,457	1,386
Travelling and conveyance	1,469	1,483
Rates and taxes	183	299
Advertisement and business promotion	370	468
Consultancy charges	1,815	1,245

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

28. Other expenses (contd.)

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Payments to auditors [refer note 28(i)]	165	156
Sales commission	181	11
Commission to directors	-	36
Allowance for expected credit loss / bad debts written off (net)	620	1,991
Exchange fluctuation loss/(gain) (net)	435	(155)
Directors' sitting fees (refer note 32)	71	65
Donation	-	6
Loss on disposal of property, plant and equipment (net)	1	-
Miscellaneous expenses	386	439
	11,638	10,865

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

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Statutory auditors		
As auditor		
Audit fee	80	80
In other capacity		
Other services (certification services)	5	5
Reimbursement of expenses	4	4
	89	89
(b) Other auditors for the subsidiaries		
As auditor		
Audit fee	74	64
In other capacity		
Reimbursement of expenses	2	3
	76	67
	165	156

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

29. Leases

The Group has lease contracts for office buildings and computer equipment. The leases for office buildings generally have lease terms between 1 to 5 years while computer equipment have lease term of 5 years.

The Group also has certain leases for office buildings and computer equipment with lease term of 12 months or less and leases with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

During the year ended March 31, 2023, pursuant to approval of the Board of Directors and Shareholders of the Company for restructuring of the business, effective April 01, 2022, part of the premises in Subex Assurance LLP was transferred to Subex Limited amounting to additions of ₹ 1,064 lakhs in right-of-use asset and corresponding lease liability.

The details of the right-of-use asset held by the Group is as follows:

(₹ in Lakhs)

	Office Buildings	Computer equipment	Total
Gross Carrying Value			
As at April 1, 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
Additions during the year	94	274	368
Exchange differences	4	-	4
As at March 31, 2024	4,467	274	4,741
Accumulated Depreciation			
As at April 1, 2022	741	-	741
Charge for the year	830	-	830
Disposals during the year on termination /modification of lease agreement	(360)	-	(360)
As at March 31, 2023	1,211	-	1,211
Charge for the year	960	46	1,006
As at March 31, 2024	2,171	46	2,217
Net block			
As at March 31, 2023	3,158	-	3,158
As at March 31, 2024	2,296	228	2,524

The Group has incurred ₹ 604 Lakhs (March 31, 2023 : ₹ 758 Lakhs) for year ended March 31, 2024, 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, 2024

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, 2024	Year ended March 31, 2023
Opening balance	3,339	1,468
Additions	368	3,380
Interest on lease liabilities	241	220
Payments	(1,136)	(752)
On account of lease modification	-	(1,007)
Exchange difference	4	30
Closing balance	2,816	3,339
Current	981	864
Non-current	1,835	2,475

The effective interest rate for lease liabilities is ranging between 3.50% to 10.26 % (March 31, 2023: 3.50% to 8.35%) for the year ended March 31, 2024.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on an undiscounted basis:

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Less than one year	1,163	1,080
One to five years	1,968	2,720
More than five years	-	-
Total	3,131	3,800

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

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation expense of right-of-use assets	1,006	830
Interest expense on lease liabilities	241	220
Expense relating to short-term leases (included in other expenses)	604	758
Gain on termination of lease agreement	-	(55)
Total amount recognised in the consolidated statement of profit and loss	1,851	1,753

The Group had total cash outflows for leases of ₹ 1,740 Lakhs the year ended March 31, 2024 (March 31, 2023: ₹ 1,510 Lakhs). There are no future cash outflows relating to leases that have not yet commenced.

30. Earnings per share (EPS)

Basic earnings per share 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

30. Earnings per share (EPS) (contd.)

Computation of basic and diluted EPS:

	Year ended March 31, 2024	Year ended March 31, 2023
Nominal value per equity share	5	5
(Loss) / profit attributable to equity shareholders of the Company (₹ in Lakhs)	(19,173)	(5,121)
Weighted average number of equity shares (No. in Lakhs)*		
Basic	5,528	5,501
Diluted	5,534	5,572
Earning per share (₹ per share) **		
Basic	(3.47)	(0.93)
Diluted	(3.47)	(0.93)

*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, 2024 are anti-dilutive (March 31, 2023: anti-dilutive) and accordingly have not 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 Company assesses the financial performance and position of the Group. The Chief Executive Officer has been identified as the chief operating decision maker.

The Group is engaged in the business of software products and related services, which are monitored as a single segment by the Chief Operating Decision Maker, accordingly, these, in the context of Ind AS 108 on Operating Segments Reporting are considered to constitute one segment and hence the Group has not made any additional segment disclosures.

The Group's operations spans across the world and are categorized geographically as (a) Americas, (b) EMEA (c) India and (d) APAC and rest of the World. 'Americas' comprises the Group's operations in North America, South America and Canada. 'EMEA' comprises the Group's operations in Europe, Middle East and Africa and the Group's operations in the rest of the world, excluding India are organized under 'APAC and the rest of the world'. Customer relationships are driven based on customer domicile.

Segment revenue by geographical location are as follows*:

	(₹ in Lakhs)	
Region	Year ended March 31, 2024	Year ended March 31, 2023
Americas	5,180	4,299
EMEA	17,553	15,561
India	831	858
APAC and rest of the world	7,408	7,151
	30,972	27,869

* 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, 2024 and March 31, 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

31. Segment reporting (contd.)

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

(₹ in Lakhs)

Region	As at March 31, 2024	As at March 31, 2023
India	2,940	3,715
Outside India	316	470
Unallocated ***	19,614	34,409
Total non-current operating assets	22,870	38,594

** Non-current operating assets includes Property, plant and equipment, Right-of-use assets, Other intangible assets and non current other assets.

*** 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 group:

Anil Singhvi	Chairman, Non-Executive & Non-Independent Director
Nisha Dutt	Managing Director (with effect from May 10, 2024) & Chief Executive Officer (with effect from May 02, 2023)
Poornima Kamalaksh Prabhu	Independent Director
George Zacharias	Independent Director
Archana Muthappa	Independent Director (with effect from August 08, 2023)
Rupinder Goel	Independent Director (with effect from August 08, 2023)
Murali Kalyanaraman	Independent Director (with effect from May 10, 2024)
Pratima Ram	Independent Director (w.e.f. May 09, 2022) of Subex Account Aggregator Services Private Limited
Devika Sathyanarayana	Non-Executive, Non-Independent Director of Subex Technologies Limited
Vinod Kumar Padmanabhan	Managing Director & Chief Executive Officer (upto May 01, 2023), Non-Executive & Non-Independent Director (w.e.f. May 02, 2023 till September 07, 2023) Designated partner of Subex Assurance LLP (upto August 08, 2023) Designated partner of Subex Digital LLP (upto August 08, 2023)
Shiva Shankar Naga Roddam	Whole-time Director (upto May 03, 2023) & Chief Operating Officer (upto December 31, 2023)* Designated partner of Subex Assurance LLP (upto January 08, 2024) Designated partner of Subex Digital LLP (upto January 08, 2024)
Sumit Kumar	Chief Financial Officer
G V Krishnakanth	Company Secretary & Compliance Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

32. Related party transactions (contd.)

ii. Details of transactions with key management personnel

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Salary and perquisites:*		
Vinod Kumar Padmanabhan (includes remuneration from Subex Assurance LLP)	345	319
Shiva Shankar Naga Roddam (includes remuneration from Subex Assurance LLP) #	201	147
Nisha Dutt	180	-
Sumit Kumar	80	72
G V Krishnakanth	74	49
	880	587
Director sitting fees		
Anil Singhvi	22	19
Poornima Prabhu	20	17
George Zacharias	17	11
Archana Muthappa	3	-
Nisha Dutt	2	15
Pratima Ram	2	2
Vinod Kumar Padmanabhan	2	-
Rupinder Goel	2	-
Devika Sathyanarayana	1	1
	71	65
Commission		
Anil Singhvi	-	9
Nisha Dutt	-	9
Poornima Prabhu	-	9
George Zacharias	-	9
	-	36

* The remuneration to the key managerial personnel does not include the provision for gratuity and compensated absences, which were made on best estimate basis, as they are determined for the Group as a whole.

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. The same has been recovered during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

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, 2024	Year ended March 31, 2023
Commission payable (included in trade payables)		
Anil Singhvi	-	9
Nisha Dutt	-	9
Poornima Prabhu	-	9
George Zacharias	-	9
	-	36
Payable to key management personnel		
Nisha Dutt	11	-
Sumit Kumar	5	16
G V Krishnakanth	2	4
Vinod Kumar Padmanabhan (includes remuneration from Subex Assurance LLP)	-	21
Shiva Shankar Naga Roddam (includes remuneration from Subex Assurance LLP)	-	10
	18	51

iv. Details of Employee stock options plans ('ESOPs') outstanding for Key Managerial Personnel's

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Opening options	16,80,000	23,30,000
Options granted during the year	8,00,000	-
Options exercised during the year	(16,80,000)	(6,50,000)
Closing options	8,00,000	16,80,000

Also, refer note 33(vi) for comfort letter given to subsidiaries.

33. Contingent liabilities and commitments

In the ordinary course of business, the Group faces claims and assertions by various parties and authorities. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its consolidated financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the consolidated financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

33. Contingent liabilities and commitments (contd.)

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Income tax demands [refer note (i) and (iii)]	5,675	369
Indirect tax demands [refer note (ii) and (iii)]	8,167	7,994
Bank guarantees (furnished to customers)	401	419
Claim against the Group in the Employment Tribunal in the UK	-	98

i. Income tax

- a) During the year ended March 31, 2024, the Income tax Department has filed appeal for Assessment years ('AY') 2013-14 and 2015-16, against Income Tax Appellate Tribunal, Bangalore ('ITAT') order in relation to matters decided in favour of Subex Limited ('the Company').

Further during the year ended March 31, 2023, the Company had received partial favourable order from Income Tax Appellate Tribunal, Bangalore ('ITAT') for AY 2014-15. The Company had filed an appeal before the Hon'ble Karnataka High Court for Assessment year ('AY') 2014-15 against such ITAT order in relation to matters decided in favour of the Income Tax department. Also, the Company has not received OGE to ITAT's order for AY 2014-15, in relation to matters decided in favour of the Company.

- b) During the year ended March 31, 2023, Subex Technologies Limited ('STL') had received favourable order from Income Tax Appellate Tribunal, Bangalore ('ITAT') for Assessment year 2008-09 relating to demand raised pursuant to proceedings under section 143(3) of the Income Tax Act, 1961.

During the year ended March 31, 2024, the Income Tax Department has filed appeal with Hon'ble Karnataka High Court against aforesaid order from ITAT. STL has filed vakalatnama and is confident that outcome of this appeal would be in favour of STL.

- c) The aforesaid demands do not include ₹ 379 lakhs amount of demand pertaining to AY 2011-12 for which the Company has received a partial favourable orders from ITAT and favourable order from Karnataka high court for during the year ended 2021-22. The Company has not received OGE to such favourable orders and the department has not appealed further in relation to such matter.

Based on internal assessment, the management is confident that outcome of matters as mentioned in a, b and c above, would be in favour of the Group. Accordingly, the Group has disclosed the disputed amount related to aforementioned assessment years as contingent liability and has not made any adjustments in the consolidated financial statements in this regard.

- d) Certain demands from the income tax authorities were set-off against the brought forward business losses and unabsorbed depreciation of previous years for which no contingent liability has been disclosed.

ii. Indirect tax

- a) Subex Limited 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 and has not made any adjustments in the consolidated financial statements in this regard.

- b) Subex Assurance LLP ('SA LLP') has received certain demand orders amounting to ₹ 41 lakhs in relation to Goods and service Tax. These demands are disputed by the management and SA LLP has filed appeals against these orders with the appellate authorities. The management is confident that the demands raised by the Assessing Officers are not tenable under law and has not made any adjustments in the consolidated financial statements in this regard.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

33. Contingent liabilities and commitments (contd.)

- c) During the year March 31, 2024, in course of Value added tax ("VAT") audit, Subex Bangladesh Private Limited has demands in relation to VAT amounting to ₹ 120 lakhs which has been disclosed as a contingent liability. However, the VAT audit is currently in progress, and the final order is yet to be passed by the Authority. The management is confident that the demands raised by the Assessing Officers are not tenable under law and has not made any adjustments in the consolidated financial statements in this regard.
- iii. The aforesaid amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.
- iv. **Other matters**
- As at March 31, 2024, certain trade payables and trade receivables towards purchase and sale of services respectively, majorly pertaining to intercompany receivables and payables, which are outstanding beyond permissible time period stipulated under the Master Circular on Import of Goods and Services and Master Circular on Export of Goods and Services issued by Reserve Bank of India ("the RBI"). Considering that the balances are outstanding for more than the stipulated time, the Group has intimated the appropriate regulatory authorities seeking requisite approvals for extensions. The management is confident that required approvals would be received and penalties, if any that may be imposed on the Group would not be material. Accordingly, no adjustments have been made by the management to these consolidated financial statements in this regard.
- v. The Group is subject to legal proceeding and claims, which have arisen in the ordinary course of business. The Group has reviewed all its pending litigations and proceedings and is not carrying provisions for all the above mentioned amounts in its books of account, as the Group's Management is confident of successfully litigating the matters and these are disclosed as contingent liability, where applicable in its consolidated financial statements. The Group's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the Company's results of operations or financial condition.
- vi. The Group has committed to provide financial support to its subsidiaries to support their business operations and meet all their obligation as and when due.
- vii. The Hon'ble Supreme Court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The Management is of the view that there are interpretative challenges on the application of the judgement retrospectively. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Group does not expect any material impact of the same.

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 financial statements 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 77,77,049 and 1,11,10,800 treasury shares as at March 31, 2024 and March 31, 2023, respectively.

The Nomination and Remuneration Committee in their meeting held on June 29, 2023 and February 7, 2024 granted 10,50,000 and 1,50,000 options respectively under approved "Subex Employees Stock Option Scheme - 2018" to the eligible employees. The options outstanding vest over a period of 1 to 3 years and can be exercised over a maximum period of 2 years from the date of vesting.

There was an extension of exercise period till June 30, 2023 for those vested options which were getting lapsed in February 2023

The expense recognised for employee services received during the year amounts to ₹ 123 lakhs (March 31, 2023: ₹ 231 lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

34. Employee stock options plans ('ESOPs') (contd.)

Employees stock options details as on the balance sheet date are:

	2023-24		2022-23	
	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	95,81,458	8.95	1,14,57,628	8.86
Exercised during the year				
ESOP – V	33,33,751	6.11	14,22,920	6.11
Granted during the year				
ESOP – V	12,00,000	20.00	-	-
Forfeited and expired during the year				
ESOP – V	52,11,207	8.58	4,53,250	15.57
Options outstanding at the end of the year				
ESOP – V	22,36,500	19.98	95,81,458	8.95
Options exercisable at the end of the year				
ESOP – V	5,96,031	19.92	79,46,523	8.66

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 (₹)	
	2023-24	2022-23	2023-24	2022-23
ESOP – V	3.10	1.23	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, 2024	March 31, 2023
Risk-free interest rate	5%-7.17%	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 (₹)	0.96-31.61	0.96-31.61

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 CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

35. Employee benefit plans

a) Defined contribution plan

The Group makes contributions for qualifying employees to Provident Fund, Pension Fund, Employee State Insurance scheme and other funds which are defined contribution plan. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognized ₹ 1,072 Lakhs (March 31, 2023: ₹ 1,200 Lakhs) expense towards aforesaid contribution plans.

b) Defined benefit plan

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, 2024	As at March 31, 2023
A. Change in defined benefit obligation		
Obligations as at beginning of the year	775	859
Service cost	121	109
Interest cost	53	47
Benefits settled	(171)	(236)
Actuarial loss / (gain) (through OCI)	45	(21)
Net foreign exchange difference	1	17
Obligations at end of the year	824	775
B. Change in plan assets		
Plan assets as at beginning of the year, at fair value	426	421
Expected return on plan assets	31	12
Actuarial gain (through OCI)	(2)	18
Contributions	135	211
Benefits settled	(171)	(236)
Plan assets as at the end of the year	419	426
C. Net liability recognised in the consolidated balance sheet		
Present value of defined benefit obligation at the end of the year	(824)	(775)
Fair value of plan assets at the end of the year	419	426
Net liability	(405)	(349)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

35. Employee benefit plans (contd.)

(₹ in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
D. Expenses recognised in the consolidated statement of profit and loss:		
Service cost	121	109
Interest cost (net)	22	35
Net gratuity cost	143	144
E. Re-measurement (losses)/ gains in OCI		
Actuarial (loss)/ gain due to financial assumption changes	-	(6)
Actuarial (loss)/ gain due to experience adjustments	(45)	27
Actuarial (loss)/ gain - return on plan assets greater than discount rate	(2)	18
Total expenses recognised through OCI	(47)	39
F. Assumptions		
Discount rate	5.4% - 7.36%	4.9% - 7.36%
Expected return on plan assets	7.30% - 7.36%	6.19% - 6.63%
Salary escalation*	4% - 7%	4% - 7%
Attrition rate	18% - 20%	18% - 20%
Retirement age	60 - 65 years	60 - 65 years

Notes:

- Plan assets are fully represented by balance with the Life Insurance Corporation of India.
- The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management.
- The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- As per Indian Assured Lives Mortality (2012-14) Ultimate (March 31, 2023 : Indian Assured Lives Mortality (2012-14) Ultimate)
- Plan characteristics and associated risks:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

 - Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
 - Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.
 - Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

35. Employee benefit plans (contd.)

(₹ in Lakhs)

	As at March 31, 2024	As at March 31, 2023
G. Five years pay-outs		
Year 1	137	127
Year 2	124	116
Year 3	117	107
Year 4	109	102
Year 5	96	93
After 5 th Year	545	533
H. Contribution likely to be made for the next one year	137	127

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, 2024	As at March 31, 2023
Investment with insurer	100%	100%

J. Sensitivity analysis

(₹ in Lakhs)

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
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	(16)	16
Effect of change in salary	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation increase/ (decrease)	31	(30)	30	(28)
Effect of change in withdrawal assumption	5% increase	5% decrease	5% increase	5% decrease
Impact on defined benefit obligation increase/ (decrease)	(8)	4	(6)	3

K. The average duration of the defined benefit plan obligation at the end of the reporting period of gratuity is 5 - 6 years (March 31, 2023: 6 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

36. Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements:

Contribution of net assets/ (liability), Share in total comprehensive income/ (loss) in the consolidated financial statements:

(₹ in Lakhs)

Name of the entity	Net Assets i.e., total assets minus total liabilities*				Share in total comprehensive income or (loss)*			
	As at March 31, 2024		As at March 31, 2023		For the year ended March 31, 2024		For the year ended March 31, 2023	
	As % of Consolidated net assets	Amount	As % of Consolidated net assets	Amount	As % of consolidated total comprehensive income or (loss)	Amount	As % of consolidated total comprehensive income or (loss)	Amount
Parent								
Subex Limited	51%	21,388	55%	42,387	57%	(21,326)	61%	(6,857)
Indian subsidiaries								
Subex Assurance LLP	36%	14,673	41%	30,928	38%	(13,955)	7%	(806)
Subex Digital LLP	2%	838	(3%)	(2,570)	2%	(887)	21%	(2,353)
Subex Technologies Limited	-	5	-	8	-	(3)	-	(3)
Subex Account Aggregator Services Private Limited	-	228	-	222	-	6	-	(3)
Foreign subsidiaries								
Subex (Asia Pacific) Pte Ltd.	2%	971	1%	845	(0%)	127	(1%)	118
Subex (UK) Ltd.	17%	7,124	11%	8,121	3%	(1,252)	2%	(176)
Subex Americas Inc.	(1%)	(519)	(1%)	(471)	0%	(41)	1%	(60)
Subex Inc.	(1%)	(306)	(1%)	(553)	(1%)	254	(2%)	267
Subex Middle East	(5%)	(2,160)	(3%)	(2,034)	0%	(94)	13%	(1,506)
Subex Bangladesh Private Limited	-	(133)	-	(103)	0%	(32)	(1%)	(63)
Total	100%	42,109	100%	76,780	100%	(37,203)	100%	(11,442)
Adjustments arising out of consolidation		(8,758)		(24,596)		18,044		6,941
Total		33,351		52,184		(19,159)		(4,501)

* The figures have been considered from the respective financial statements

37. Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2(I), to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

37. Disclosures on Financial instruments (contd.)

(a) Financial assets and liabilities

The management assessed that cash and bank balances, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Non-current financial assets and liabilities are discounted using an appropriate discounting rate where the time value of money is material.

The following tables presents the carrying value and fair value of each category of financial assets and financial liabilities as at March 31, 2024 and March 31, 2023:

As at March 31, 2024

(₹ in Lakhs)

Particulars	Financial assets measured at amortized cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total carrying value and fair value
Financial assets				
Investments	-	731	165	896
Loans	97	-	-	97
Trade receivables	10,155	-	-	10,155
Cash and cash equivalents and other balances with banks	9,822	-	-	9,822
Other financial assets	1,144	3	-	1,147
Total	21,218	734	165	22,117
Financial liabilities				
Lease Liabilities	2,816	-	-	2,816
Trade payables	2,412	-	-	2,412
Other financial liabilities	3,222	-	-	3,222
Total	8,450	-	-	8,450

As at March 31, 2023

(₹ in Lakhs)

Particulars	Financial assets measured at amortized cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total carrying value and fair value
Financial assets				
Investments	-	1,222	165	1,387
Loans	134	-	-	134
Trade receivables	9,037	-	-	9,037
Cash and cash equivalents and other balances with banks	10,915	-	-	10,915
Other financial assets	1,073	6	-	1,079
Total	21,159	1,228	165	22,552
Financial liabilities				
Lease Liabilities	3,339	-	-	3,339
Trade payables	1,262	-	-	1,262
Other financial liabilities	1,903	-	-	1,903
Total	6,504	-	-	6,504

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

37. Disclosures on Financial instruments (contd.)

(b) Fair value hierarchy

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using 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).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

As at March 31, 2024

(₹ in Lakhs)

Particulars	Total	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial assets				
Investments	896	731	-	165
Other financial assets	3	-	3	-
Total	899	731	3	165

As at March 31, 2023

(₹ in Lakhs)

Particulars	Total	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial assets				
Investments	1,387	1,222	-	165
Other financial assets	6	-	6	-
Total	1,393	1,222	6	165

Note:

- Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.
- Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.
- Current investments pertain to investments in mutual funds which are mandatorily classified as fair value through statement of profit and loss. The fair value of investments in mutual funds units is based on the net asset value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at balance sheet date. NAV represents the price at which the issuer will issue further units of mutual funds and the price at which issuers will redeem such units from the investors.
- The Group enters into derivative financial instruments with financial institutions having investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs.
- The carrying value of investment in Privasapien Technologies Private Limited is a reasonable approximation of fair value determined based on prior transactions, no further disclosures has been made in consolidated financial statements.
- There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2024 and March 31, 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

38. Financial risk management

The Group's activities expose it to the following risks:

- i. Market risk
 - ii. Credit risk
 - iii. Liquidity risk
- i. **Market risk**

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates and liquidity risk. Future specific market movements cannot be normally predicted with reasonable accuracy.

(a) Market risk- 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 does not have any debt outstanding as at March 31, 2024 and 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.

(b) Market risk- Foreign currency 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"), United Arab Emirates Dirham ("AED"), Kuwaiti Dinar ("KWD"), 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.

Below is the summary of foreign currency exposure of Group's financial assets and liabilities.

As at March 31, 2024

(₹ in Lakhs)

Particulars	Denominated currency					Total
	USD	AED	KWD	EUR	Others	
Financial assets						
Trade receivables	6,185	1,118	809	576	1,179	9,867
Cash and cash equivalents and other bank balances	3,597	183	-	35	1,158	4,973
Other financial assets	7	2	-	-	91	100
Total financial assets	9,789	1,303	809	611	2,428	14,940
Financial liabilities						
Trade payable	1,285	16	-	193	171	1,665
Other financial liabilities	780	291	6	131	175	1,383
Total financial liabilities	2,065	307	6	324	346	3,048
Net financial assets/ (liabilities)	7,724	996	803	287	2,082	11,892

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

38. Financial risk management (contd.)

As at March 31, 2023

(₹ in Lakhs)

Particulars	Denominated currency					Total
	USD	AED	KWD	EUR	Others	
Financial assets						
Trade receivables	5,567	47	680	658	1,512	8,464
Cash and cash equivalents and other bank balances	1,761	232	34	101	1,673	3,801
Other financial assets	156	46	-	-	114	316
Total financial assets	7,484	325	714	759	3,299	12,581
Financial liabilities						
Trade payables	461	-	-	96	81	638
Other financial liabilities	202	65	11	123	54	455
Total financial liabilities	663	65	11	219	135	1,093
Net financial assets/ (liabilities)	6,821	260	703	540	3,164	11,488

The Group 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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
USD	14,55,000	15,95,000	1,214	1,311

Sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities at March 31, 2024 and March 31, 2023. The Group's exposure to other currency is not material.

Particulars	Change in currency	Effect on Profit and loss	
		Strengthening	Weakening
March 31, 2024	1%	119	(119)
March 31, 2023	1%	115	(115)

ii. 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 contract assets) and from its financing activities including deposits with banks, investments and other financial instruments.

(a) Trade receivables and contract assets

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. Also refer note 31 for customer concentration.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

38. Financial risk management (contd.)

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, 2024	As at March 31, 2023
Trade receivables	10,155	9,037
Contract assets	3,224	3,790
Total	13,379	12,827

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.

The Group creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

The movement in credit loss allowance on customer balance is as follows :

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	4,507	2,444
Add/(less): Provided/(reversal) during the year	620	1,991
Less: Bad-debts written-off	(81)	(229)
Add/(less): Net foreign exchange difference	174	301
Closing balance	5,220	4,507

(b) Other financial assets and deposits with banks

Credit risk from balances with bank and financial institutions and in respect to loans and security deposits is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Group have made certain strategic investments which have been approved by the Board of Directors of the Holding Company.

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, 2024

38. Financial risk management (contd.)

The break-up of cash and cash equivalents and deposits is as below:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	6,776	5,238
Other balances with banks	3,046	5,677
Investment in mutual fund	731	1,222
	10,553	12,137

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	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2024					
Trade payables	-	2,412	-	-	2,412
Lease liability*	-	1,163	1,968	-	3,131
Other financial liabilities	27	3,195	-	-	3,222
	27	6,770	1,968	-	8,765
As at March 31, 2023					
Trade payables	-	1,262	-	-	1,262
Lease liability*	-	1,080	2,720	-	3,800
Other financial liabilities	28	1,875	-	-	1,903
	28	4,217	2,720	-	6,965

*Includes future cash outflow toward estimated interest on lease liabilities

39. Capital management

The Group's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through operating cash flows generated and surplus funds available. The Group does not have any long term debts hence there is no capital gearing ratio. Surplus fund has been invested into risk free highly liquid financial instruments.

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, 2024 and 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, 2024 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

- 42.** The Holding Company and subsidiary companies, which are companies incorporated in India and whose financial statements have been audited under the Act have complied with the requirements of audit trail except for the following:

The Group has used accounting software, SAP ECC for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the underlying database level. Further no instance of audit trail feature being tampered with was noted in respect of the accounting software, where the audit trail has been enabled.

- 43.** MCA has amended the Rule 3 of the Companies (Accounts) Rules, 2014 (the "Accounts Rules") vide notification dated August 05, 2022, relating to the mode of keeping books of account and other books and papers in electronic mode Back-ups of the books of account and other books and papers of the Company maintained in electronic mode are now required to be retained on a server located in India on daily basis (instead of back-ups on a periodic basis as provided earlier) as prescribed under Rule 3(5) of the Accounts Rules With respect to the above, the Group has complied with the requirement for all the IT applications except for an application software wherein the backup maintained in electronic mode has not been maintained on servers physically located in India on daily basis.

44. Other Regulatory Information

- (i) The Holding Company and its subsidiary companies, which are incorporated in india do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) The Holding Company and its subsidiary companies, which are incorporated in india do not have any transactions with companies struck off.
- (iii) The Holding Company and its subsidiary companies, which are incorporated in india 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.
- (iv) The Holding Company and its subsidiary companies, which are incorporated in india have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Holding Company and its subsidiary companies, which are incorporated in india, 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 or any of such subsidiaries (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Holding Company and its subsidiary companies, which are incorporated in india, 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 the Company or any of such subsidiaries 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

(vii) The Holding Company and its subsidiary companies, which are incorporated in India has complied with the provisions of clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(viii) The Holding Company and its subsidiary companies, which are incorporated in India has not declared or paid any dividend during the year hence, compliance with the provisions of section 123 of the Companies Act, 2013 is not applicable.

(ix) The Holding Company and its subsidiary companies, which are incorporated in India has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

45. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the Code came into effect on 3 May 2023. However, the final rules/interpretation have not yet been issued. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

46. Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

As per our report of even date

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

per **Sandeep Karnani**
Partner
Membership No.: 061207

Place: Bengaluru, India
Date: May 10, 2024

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

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

Sumit Kumar
Chief Financial Officer

Place: Bengaluru, India
Date: May 10, 2024

Nisha Dutt
Managing Director &
Chief Executive Officer
DIN : 06465957
Place: Bengaluru, India

G V Krishnakanth
Company Secretary &
Compliance Officer

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 30TH ANNUAL GENERAL MEETING (AGM)

Date : August 05, 2024

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 July 30, 2024 to August 05, 2024 (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 2024-25 : April 01, 2024 to March 31, 2025

For quarter ending June 30, 2024 : 2nd week of August 2024

For quarter ending September 30, 20234 : 2nd week of November 2024

For quarter ending December 31, 2024 : 2nd week of February 2025

For the year ending March 31, 2025 : 4th week of May 2025

DIVIDEND

The Directors have not proposed any dividend to be paid for the financial year 2023-24.

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) 2023-24 and 2024-25 in accordance with the provisions of the SEBI (LODR) Regulations, 2015.

The 2,43,207 Global Depository Receipts (GDRs) of the Company that 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, 5 th 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 2023-24 and 2024-25 to NSDL and CDSL on the basis of the number of beneficial accounts maintained by them as on March 31, 2023 and March 31, 2024 respectively.

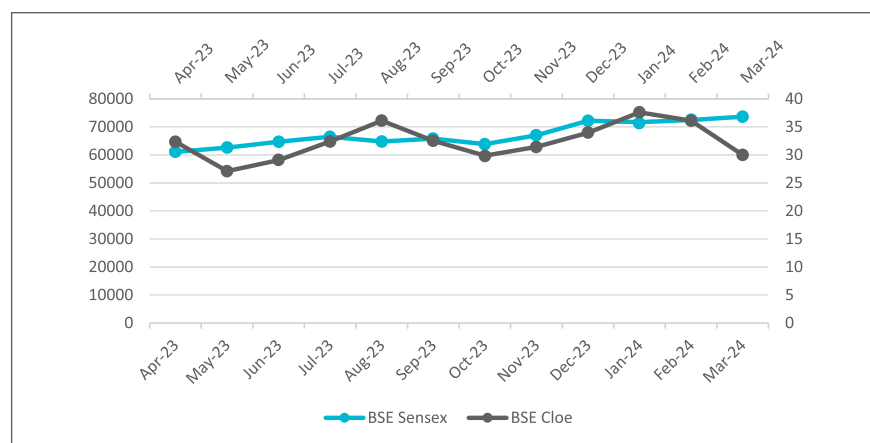
STOCK MARKET DATA RELATING TO EQUITY SHARES LISTED IN INDIA

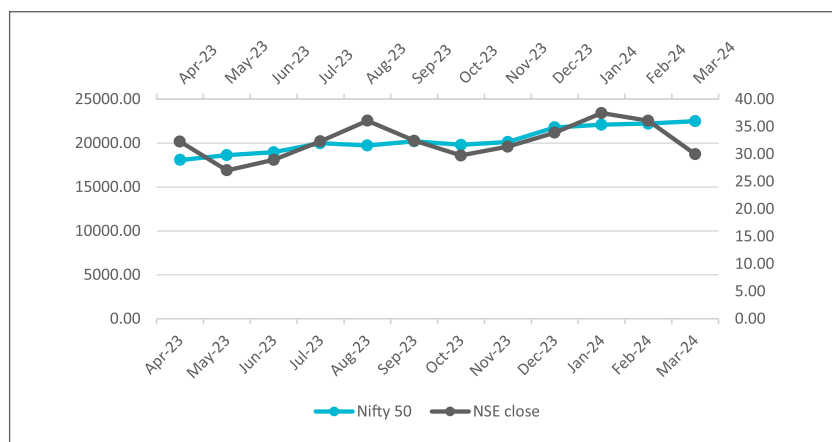
Monthly high and low quotes during each month in the financial year 2023-24 as well as the volume of shares traded on NSE and BSE are as under:

Month	NSE			BSE		
	High Price	Low Price	Number of shares traded	High Price	Low Price	Number of shares traded
Apr-23	34.10	27.95	414.42	34.10	27.95	91.01
May-23	34.40	26.80	641.25	34.37	26.75	109.40
Jun-23	30.80	27.05	609.26	30.80	27.02	198.02
Jul-23	37.50	28.05	1808.56	37.50	28.06	347.64
Aug-23	37.50	31.85	1354.24	37.46	31.70	202.77
Sep-23	39.20	32.15	1237.16	39.20	32.20	210.48
Oct-23	34.35	27.95	756.96	34.33	28.04	126.45
Nov-23	33.35	29.85	708.46	33.28	29.89	122.70
Dec-23	38.65	31.00	3013.12	38.67	31.06	487.95
Jan-24	43.50	33.75	6428.10	43.50	33.76	961.80
Feb-24	45.80	34.85	6268.71	45.80	34.74	738.99
Mar-24	38.00	28.55	2292.29	38.00	28.51	376.98

SUBEX LIMITED SHARE PRICE VERSUS NSE S&P CNX NIFTY AND SENSEX (* Closing indices)

Month	BSE Sensex*	Nifty 50*
Apr-23	61112.44	18065.00
May-23	62622.24	18633.85
Jun-23	64718.56	18972.1
Jul-23	66527.67	19979.15
Aug-23	64831.41	19733.55
Sep-23	65828.41	20192.35
Oct-23	63874.93	19811.5
Nov-23	66988.44	20133.15
Dec-23	72240.26	21778.7
Jan-24	71752.11	22097.45
Feb-24	72500.3	22217.45
Mar-24	73651.35	22493.55





CREDIT RATING

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, 2024		As on March 31, 2023	
	No. of share holders	% to total share holders	No. of share holders	% to total share holders
1-5000	3,18,267	83.48	3,12,615	85.12
5001- 10000	27,105	7.11	24,178	6.58
10001- 20000	16,126	4.23	13,865	3.78
20001- 30000	7,405	1.94	6,135	1.67
30001- 40000	2,656	0.70	2,316	0.63
40001- 50000	2,985	0.78	2,435	0.66
50001- 100000	3,478	0.91	2,978	0.81
100001& Above	3,214	0.84	2,741	0.75
Total	3,81,236	100.00	3,67,263	100.00

Categories of Shareholders:

Categories of Shareholders	No. of Shares of face value of ₹ 5 each	% of holding
Promoter & Promoter group	Nil	Nil
Public	55,42,25,886	98.62
Non-Promoter, Non-Public *	77,77,049	1.38
Total	56,20,02,935	100.00

*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, Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad,
Telangana - 500032
Tel Nos. 040 6716 2222, 3321 1000
E-mail: einward.ris@kfintech.com
Website: <https://www.kfintech.com/>

SHARES HELD IN PHYSICAL AND DEMATERIALISED FORM

As on March 31, 2024, 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
- Ontario, Canada

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, 2023 to March 31, 2024 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	1	1
2	Non Receipt of Annual Reports	2	2
3	Request for Correction / Duplicate / Revalidation of Dividend Warrant	3	3
4	Investors complaints through Stock Exchanges	3	3
5	Investors complaints through SEBI	Nil	Nil
6	Non Receipt of Dividend Warrant	8	8
7	Compliant regarding Demat / Remat	Nil	Nil
	Total	17	17

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: 080 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

[illegible]



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.