

INDEPENDENT AUDITOR'S REPORT

To the Partners of Subex Assurance LLP

Opinion

We have audited the accompanying Statement of Accounts of Subex Assurance LLP ("the LLP"), which comprise the Statement of Assets and Liabilities as at March 31, 2021, the Statement of Income and Expenditure and the Cash Flow Statement for the year then ended, and notes to the Statement of Accounts, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement of Accounts give the information required by the Limited Liability Partnership Act, 2008, as amended ("the Act") read with Limited Liability Partnership Rules, 2009 (as amended) ("the Rules") 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 LLP as at March 31, 2021, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Statement of Accounts in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Statement of Accounts' section of our report. We are independent of the LLP in accordance with the 'Code of Ethics' issued by the ICAI together with the ethical requirements that are relevant to our audit of the Statement of Accounts, 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 Statement of Accounts.

Responsibilities of Management for the Statement of Accounts

The Management of the LLP is responsible for the preparation of these Statement of Accounts that give a true and fair view of the financial position, financial performance and cash flows of the LLP in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI and the requirements of the Act read with the Rules. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and the design, implementation and maintenance of internal control, relevant to the preparation of the Statement of Accounts that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement of Accounts, management is responsible for assessing the LLP'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 LLP or to cease operations, or has no realistic alternative but to do so.

The Management is also responsible for overseeing the LLP's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement of Accounts

Our objectives are to obtain reasonable assurance about whether the Statement of Accounts 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 Statement of Accounts.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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 Statement of Accounts, 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, but not for the purpose of expressing an opinion on the effectiveness of the LLP's internal control.
- ▶ 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 LLP'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 Statement of Accounts 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 LLP to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the Statement of Accounts, including the disclosures, and whether the Statement of Accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management of the LLP 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 the management 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.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 21213803AAAABT3616



Place of Signature: Bengaluru

Date: May 17, 2021

Subex Assurance LLP
Statement of accounts
Statement of assets and liabilities as at March 31, 2021

	Notes	(₹ in Lakhs)	
		As at March 31, 2021	As at March 31, 2020
Contribution and liabilities			
Partners' funds			
Partners' Capital Account	3	44,756	44,756
Partners' Current Account	3	3,899	1,871
		48,655	46,627
Non-current liabilities			
Deferred tax liability (net)	4	2,542	788
Other non-current liabilities	6	33	-
Long-term provisions	7	-	166
		2,575	954
Current liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	5	58	33
- total outstanding dues of creditors other than micro enterprises and small enterprises	5	5,803	4,214
Other current liabilities	6	2,025	2,368
Short-term provisions	7	153	478
		8,039	7,093
Total			
		59,269	54,674
Assets			
Non-current assets			
Property, plant and equipment	8	867	222
Intangible assets	9	12,003	13,828
Non-current investments	10	20,691	20,691
Long-term loans and advances	13	3,679	3,490
Income tax assets (net)	14	436	344
Other non-current assets	15	-	119
		37,676	38,694
Current assets			
Trade receivables	11	8,971	9,396
Cash and bank balances	12	9,974	5,011
Short-term loans and advances	13	1,317	322
Other current assets	15	1,331	1,251
		21,593	15,980
Total			
		59,269	54,674

Entity information and significant accounting policies
The accompanying notes are an integral part of the statement of accounts.

1 & 2

As per our report of even date

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

per **Rajeev Kumar**
Partner
Membership No.: 213803

Place: Bengaluru
Date: May 17, 2021

For and on behalf of Subex Assurance LLP

Vinod Kumar Padmanabhan
Designated partner

Venkatraman G S
Designated partner

Place: Bengaluru
Date: May 17, 2021

Place: Bengaluru
Date: May 17, 2021



Subex Assurance LLP
Statement of accounts
Statement of income and expenditure for the year ended March 31, 2021

	Notes	(₹ in Lakhs)	
		Year ended March 31, 2021	Year ended March 31, 2020
1. Income			
Revenue from operations	16	32,697	32,965
Other income	17	571	41
Total income		33,268	33,006
2. Expenses			
Employee benefits expense	18	9,985	9,502
Depreciation and amortization expense	19	2,044	3,595
Other expenses	20	14,564	14,617
Total expenses		26,593	27,714
3. Profit before tax expense and exceptional items(1-2)		6,675	5,292
4. Exceptional items	21	-	(16,808)
5. Profit/(loss) before tax expense		6,675	(11,516)
6. Tax expense			
Current tax	-	573	-
(Reversal)/ provision - foreign withholding taxes	28	(280)	579
Deferred tax charge	4	1,754	835
Total tax expense		2,047	1,414
7. Profit/ (loss) after tax expense (5-6)		4,628	(12,930)

Entity information and significant accounting policies
The accompanying notes are an integral part of the statement of accounts.

1 & 2

As per our report of even date
For S.R Batliboi & Associates LLP
ICAI Firm Registration Number:101049W/E300004
Chartered Accountants


per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: May 17, 2021

For and on behalf of Subex Assurance LLP


Vinod Kumar Padmanabhan
Designated partner

Place: Bengaluru
Date: May 17, 2021


Venkatraman G S
Designated partner

Place: Bengaluru
Date: May 17, 2021



Subex Assurance LLP
Statement of accounts
Statement of cash flows for the year ended March 31, 2021

	(₹ in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
A Operating activities		
Profit/(loss) before tax expense	6,675	(11,516)
Adjustments to reconcile profit/(loss) before tax expense to net cash flows:		
Depreciation and amortization	2,044	3,595
Gain on disposal of property, plant and equipment (net)	(6)	-
Impairment of intangibles and investment in subsidiary	-	16,808
Interest on bank deposit	(334)	(37)
Reversal of rent equalisation reserve no longer required	(226)	-
Provision for doubtful debts (net)	(111)	131
Net foreign exchange differences	381	(233)
Operating profit before working capital changes	8,423	8,748
Working capital adjustments:		
(Increase)/ decrease in loans and advances	(671)	32
(Increase)/ decrease in trade receivables	29	2,206
(Increase)/ decrease in other assets	192	(203)
Increase/ (decrease) in trade payables	1,700	(2,616)
Increase/ (decrease) in other liabilities	(257)	287
Increase/ (decrease) in provisions	(211)	(40)
	9,205	8,414
Income tax paid (including TDS)	(664)	(614)
Net cash flows from operating activities	8,541	7,800
B Investing activities		
Purchase of property, plant and equipment	(735)	(145)
Proceeds from sale of property, plant and equipment	51	-
Movement in deposits (net)	(130)	(119)
Interest received	300	33
Drawings by the partner	(2,600)	(1,772)
Loan given to related parties	(515)	(1,515)
Net cash flows used in investing activities	(3,629)	(3,518)
C Financing activities		
Net cash flows from/(used) in financing activities	-	-
D Net increase in cash and cash equivalents (A+B+C)	4,912	4,282
Net foreign exchange difference	51	11
Cash and cash equivalents at the beginning of the year	5,011	718
E Cash and cash equivalents at year end	9,974	5,011
Components of cash and cash equivalents		
Balance with banks:		
in current account	198	615
in EEFC accounts	1,595	31
in Term deposit	8,181	4,365
Total cash and cash equivalents (note 12)	9,974	5,011

Entity information and significant accounting policies
The accompanying notes are an integral part of the statement of accounts.

As per our report of even date

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

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: May 17, 2021



For and on behalf of Subex Assurance LLP

Vinod Kumar Padmanabhan
Designated partner

Place: Bengaluru
Date: May 17, 2021



Venkatraman G S
Designated partner

Place: Bengaluru
Date: May 17, 2021

Subex Assurance LLP

Notes to statement of accounts for the year ended March 31, 2021

1. Entity information

About the LLP

Subex Assurance LLP ("the Entity" or the "LLP") is a subsidiary of Subex Limited ("the Parent Company"), registered as a limited liability partnership under the Limited Liability Partnership Act 2008. The LLP is engaged in providing Operations and Business Support Systems ("OSS/BSS") to communication service providers ("CSPs") worldwide in the Telecom industry.

2. Significant accounting policies

a. Basis of preparation

The statement of accounts of the LLP have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The LLP has prepared these statement of accounts to comply in all material respects with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of Limited Liability Partnership Act, 2008. The statement of accounts have been prepared on an accrual basis and under the historical cost convention except for assets and liabilities of Revenue Maximisation Solutions and related business ("RMS business") received as capital contribution from the Parent Company, which have been accounted at their individual fair values.

These statement of accounts are presented in INR " ₹ " and all the values are rounded off to the nearest lakhs (INR 00,000).

b. Use of estimates

The preparation of the statement of accounts in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the statement of accounts and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

The Entity has considered internal and certain external sources of information including economic forecasts, budgets required to meet performance obligations and likely delays on contractual commitments, upto the date of approval of these statement of accounts, in determining the possible impact from the COVID-19 pandemic. The Entity has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Entity expects to fully recover the carrying amount of its assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these statement of accounts and the Entity will continue to closely monitor any material changes to its assessment of economic impact of COVID-19 pandemic.

c. Revenue recognition

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Revenues from licensing arrangements is recognized on transfer of the title in user licenses, except those contracts where transfer of title is dependent upon rendering of significant implementation and other services by the LLP, in which cases 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 on the basis of completed efforts against the total estimated efforts, which represent the fair value of services rendered.

Revenue from managed/ support services comprise income from fixed price contracts, time-and-material contracts and annual maintenance contracts.

Revenue from fixed price contracts is recognized over the period of the contracts using the percentage of completion method. Revenue from time and material contracts is recognized when the services are rendered in accordance with the terms of contracts. Revenue from annual maintenance contracts is recognised rateably over the period of the contracts.

Revenue from sale of hardware under reseller arrangements is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods to customers. Revenue is shown as net of Goods and Services tax and others applicable taxes and discounts.

Revenue from group companies is recognised on the basis of transfer pricing arrangement.

Revenue from Support Services to group entities/related parties- Support Service income is recognized as services are rendered, on the basis of an agreed mark up on costs incurred, in accordance with the agreement entered into with group entities.

The LLP collects Goods and Services tax and others taxes as applicable in the respective tax jurisdictions where the LLP operates on behalf of the government and therefore it is not an economic benefit flowing to the LLP. Hence it is excluded from revenue.



Subex Assurance LLP

Notes to statement of accounts for the year ended March 31, 2021

Provisions for estimated losses on contracts are recorded in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenue' included in the current assets represent revenues in excess of amounts billed to clients as at the statement of assets and liabilities date.
'Unearned revenue' included in the current liabilities represent billings in excess of revenues recognized.

d. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any, except for the Property, plant and equipment received as capital contribution from the Parent Company which was recorded at fair value. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the LLP 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 statement of income and expenditure as incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of income and expenditure when the asset is derecognized.

The LLP identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of income and expenditure.

e. Depreciation and amortization

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The LLP has used the following useful lives to provide depreciation on its property plant and equipment:

Assets	Useful lives
Computer equipment	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Leasehold improvements	5 years
Computer software	4 years
Goodwill	10 years
Customer Contracts	Over the contract period
Development Technology	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.

The management has estimated the useful life of aforesaid intangibles, supported by independent assessment by external valuers.

f. Intangible assets

Intangible assets are measured at cost on initial recognition except for intangible assets received as capital contribution from the Parent Company or identified in purchase price allocation were recorded at fair value. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of income and expenditure in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The LLP uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the LLP amortizes the intangible assets over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

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 recognized in the statement of income and expenditure when the asset is derecognized.



Subex Assurance LLP

Notes to statement of accounts for the year ended March 31, 2021

g. Leases

Assets leased by the LLP in its capacity as lessee where substantially all the risks and rewards of ownership vest in the LLP are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value of leased asset and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to achieve a constant periodic rate of interest on the outstanding liability for each year. Finance charges are recognised as finance costs in the statement of income and expenditure. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the LLP will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of income and expenditure on a straight line basis over the lease term.

h. Impairment

The LLP 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 LLP estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price 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 groups of assets. Where the carrying amount of an asset 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The LLP bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the LLP's cash-generating unit to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

The impairment loss is recognised as an expense in the statement of income and expenditure.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

i. Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

(i) Defined contribution plans:

The LLP's contribution to provident fund scheme is considered as defined contribution plan and is charged as an expense as and when services are rendered by the employees. These contributions are paid/ payable in accordance with the applicable laws and regulations.

(ii) Defined benefit plans:

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each statement of assets and liabilities date. Actuarial gains and losses are recognised in the statement of income and expenditure in the period in which they occur.

(iii) Short-term employee benefits:

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. Compensated absences, which are expected to be utilised within the next 12 months, are treated as short-term employee benefits. The LLP 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.

(iv) Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employees render the related services are treated as long-term employee benefits for measurement purpose. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end, less the fair value of the plan assets out of which the obligations are expected to be settled. Actuarial gains/losses are immediately taken to the statement of income and expenditure and are not deferred.

The LLP presents the entire compensated absences balance as a current liability in the statement of assets and liabilities, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.



Subex Assurance LLP

Notes to statement of accounts for the year ended March 31, 2021

j. Foreign currency transactions and translation

Initial recognition:

Transactions in foreign currencies entered into by the LLP are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Conversion:

Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences:

The LLP accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the LLP's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
2. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a property, plant and equipment are capitalized and depreciated over the remaining useful life of the asset.
3. All other exchange differences are recognized as income or as expenses in the period in which they arise.

k. Investments

Pursuant to restructuring, interest in equity shares of subsidiaries received in form of Capital Contribution were recorded at fair value.

Except for the above, Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the statement of accounts at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of income and expenditure.

l. Taxes on income

Tax expense comprises current and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws prevailing in the respective tax jurisdictions where the LLP operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of income and expenditure.

Alternate Minimum Tax (AMT) paid in a year is charged to the statement of income and expenditure as current tax. AMT payment which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the LLP will pay normal income tax in the foreseeable future. Accordingly, AMT is recognised as an asset in the statement of assets and liabilities when it is probable that future economic benefits associated with it will flow to the LLP and can be measured reliably, AMT credit is recognised by way of credit to the statement of income and expenditure and shown as "AMT Credit Entitlement".

The LLP reviews the "AMT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the LLP does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets.



Subex Assurance LLP

Notes to statement of accounts for the year ended March 31, 2021

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of income and expenditure.

At each reporting date, the LLP re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The LLP writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the LLP has a legally enforceable right for such set off.

m. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises cash in hand and cash at bank and short-term investments with an original maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

n. Provisions and contingencies

Provisions:

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the statement of assets and liabilities date. These estimates are reviewed at each statement of assets and liabilities date and adjusted to reflect the current best estimates.

Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the LLP or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The LLP does not recognize a contingent liability but discloses its existence in the statement of accounts.

o. Segment reporting

The LLP identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Executive Management in deciding how to allocate resources and in assessing performance. The analysis of geographical segments is based on the areas in which major operating divisions of the LLP operate.

The accounting policies adopted for segment reporting are in line with the accounting policies of the LLP. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Revenue, expenses, assets and liabilities which relate to the LLP as a whole and are not allocable to segments on a reasonable basis have been included under 'unallocated income / expenditure / assets / liabilities'.

p. Operating cycle

Based on the nature of products / activities of the LLP and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the LLP has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

<This space has been intentionally left blank>



Subex Assurance LLP

Notes to statement of accounts for the year ended March 31, 2021

3. Partners' funds

Movement in partner's capital and current account for the year ended March 31, 2020:

Name of the Partner	Opening balance as on April 01, 2019		Addition during the year		Loss/profit % as per LLP agreement	Loss for the year ended March 31, 2020 (e)*	Withdrawal during the year		Balance as at March 31, 2020	
	Capital account (a)	Current account (b)	Capital account (c)	Current account (d)			Capital account (f)	Current account (g)	Capital account (a+c-f)	Current account (b+d+e-g)
Subex Limited	61,564	(235)	-	-	99.99%	(12,930)	-	1,772	44,756	1,871
Subex Digital LLP	-	-	-	-	0.01%	-	-	-	-	-
Total	61,564	(235)	-	-	100.00%	(12,930)	-	1,772	44,756	1,871

Movement in partner's capital and current account for the year ended March 31, 2021:

Name of the Partner	Opening balance as on April 01, 2020		Addition during the year		Loss/profit % as per LLP agreement	Profit for the year ended March 31, 2021 (e)*	Withdrawal during the year		Balance as at March 31, 2021	
	Capital account (a)	Current account (b)	Capital account (c)	Current account (d)			Capital account (f)	Current account (g)	Capital account (a+c-f)	Current account (b+d+e-g)
Subex Limited	44,756	1,871	-	-	99.99%	4,628	-	2,600	44,756	3,899
Subex Digital LLP	-	-	-	-	0.01%	-	-	-	-	-
Total	44,756	1,871	-	-	100.00%	4,628	-	2,600	44,756	3,899

* Loss for the previous year ended March 31, 2020 includes loss of ₹ 16,808 Lakhs on account of impairment of the intangible assets and impairment of investment in subsidiary. The loss being other than temporary loss, the same has been charged to the partner's capital account. Also, refer note 3(a).



<This space has been intentionally left blank>



Subex Assurance LLP

Notes to statement of accounts for the year ended March 31, 2021

3(a). Reserves and Surplus

Profit as per statement of income and expenditure
Less: Appropriation of profit to partners' current account
 Subex Limited Current Account (99.99%)
 Subex Digital LLP Current Account (0.01%)
Total Appropriations
Closing balance

(₹ in Lakhs)	
As at March 31, 2021	As at March 31, 2020
4,628	(12,930)
4,628	(12,930)
-	-
4,628	(12,930)
-	-

4. Deferred tax liability/ (assets) (net)*

Deferred tax liabilities

Depreciation and amortization expense: Difference between tax depreciation and depreciation and amortization expense

(₹ in Lakhs)			
Statement of assets and liabilities		Statement of income and expenditure	
As at March 31, 2021	As at March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
3,299	2,720	579	11
(A) 3,299	2,720	579	11
757	780	(23)	16
-	1,152	(1,152)	(840)
(B) 757	1,932	(1,175)	(824)
2,542	788	1,754	835

Deferred tax assets

Provision for employee benefits and others
Losses available for offsetting against future taxable profits

5. Trade payables

Trade payables

- total outstanding dues of micro enterprises and small enterprises*
- total outstanding dues of creditors other than micro enterprises and small enterprises**

(₹ in Lakhs)	
As at March 31, 2021	As at March 31, 2020
58	33
5,803	4,214
5,861	4,247

*Payable to micro enterprises and small enterprises

(₹ in Lakhs)		
Description	As at March 31, 2021	As at March 31, 2020
a) the principal amount remaining unpaid to any supplier as at the end of accounting year;	58	33
b) interest due thereon remaining unpaid to any supplier as at the end of accounting year;	-	-
c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
d) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

** includes dues to related parties. Refer note 22.



Subex Assurance LLP

Notes to statement of accounts for the year ended March 31, 2021

6. Other liabilities

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Other non-current liabilities		
Rent equalisation reserve	33	-
	33	-
Other current liabilities		
Employee related liabilities	989	1,064
Unearned revenue	688	919
Capital creditors	174	-
Statutory remittances	174	174
Rent equalisation reserve	-	211
	2,025	2,368

7. Provisions

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Non-current		
Provision for employee benefits		
Provision for gratuity [refer note 24(b) and 30]	-	166
	-	166
Current		
Provision for employee benefits		
Provision for gratuity [refer note 24(b) and 30]	38	70
Provision for compensated absences (refer note 30)	115	128
Other provisions		
Provision for foreign taxes	-	280
	153	478

<This space has been intentionally left blank>



Subex Assurance LLP

Notes to statement of accounts for the year ended March 31, 2021

8. Property, plant and equipment*

(₹ in Lakhs)

Cost

As at April 1, 2019
 Additions
 Disposals
As at March 31, 2020
 Additions
 Disposals
As at March 31, 2021

Computer equipment	Furniture and fixtures	Leasehold improvements	Office equipment	Total
571	11	-	45	627
96	-	-	12	108
(2)	-	-	-	(2)
665	11	-	57	733
601	-	264	44	909
(126)	(6)	-	(10)	(142)
1,140	5	264	91	1,500

Depreciation

As at April 1, 2019
 Charge for the year
 Disposals
As at March 31, 2020
 Charge for the year
 Disposals
As at March 31, 2021

266	5	-	26	297
204	2	-	9	215
(1)	-	-	-	(1)
469	7	-	35	511
195	2	9	13	219
(83)	(5)	-	(9)	(97)
581	4	9	39	633

Net block

As at March 31, 2020
 As at March 31, 2021

196	4	-	22	222
559	1	255	52	867

9. Intangible assets

(₹ in Lakhs)

Cost

As at April 1, 2019
 Additions
 Disposals
As at March 31, 2020
 Additions
 Disposals
As at March 31, 2021

Computer software	Customer contracts	Development technology	Goodwill	Total
57	70	27,753	10,925	38,805
-	-	-	-	-
-	-	-	-	-
57	70	27,753	10,925	38,805
-	-	-	-	-
-	-	-	-	-
57	70	27,753	10,925	38,805

Amortization

As at April 1, 2019
 Charge for the year
 Disposals
 Impairment**
As at March 31, 2020
 Charge for the year
 Disposals
As at March 31, 2021

57	49	3,923	1,545	5,574
-	21	2,539	820	3,380
-	-	-	-	-
-	-	7,463	8,560	16,023
57	70	13,925	10,925	24,977
-	-	1,825	-	1,825
-	-	-	-	-
57	70	15,750	10,925	26,802

Net block

As at March 31, 2020
 As at March 31, 2021

-	-	13,828	-	13,828
-	-	12,003	-	12,003

*Also, refer note 27

**Refer note 21



Subex Assurance LLP

Notes to statement of accounts for the year ended March 31, 2021

10. Non-current investments

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Investments carried at cost		
A. Investments in equity shares of wholly owned subsidiaries (unquoted equity instruments)		
5,039,565,245 equity shares of ₹ 0.4255 each fully paid in Subex (UK) Ltd	20,658	20,658
[Impairment on investment ₹ 785 Lakhs (March 31, 2020: ₹ 785)] (Also, refer note 21)		
1 equity share of ₹ 3,344,024 in Subex Middle East (FZE), UAE*	33	33
97 equity share of ₹ 87.81 each fully paid up in Subex Bangladesh Private Ltd**	-	-
	20,691	20,691
B. Investment in limited liability partnership firms		
Investment in Subex Digital LLP in form of capital contribution of ₹ 10	-	-
	-	-
Total Investments carried at cost (A+B)	20,691	20,691
Aggregate amount of unquoted investments in subsidiaries	21,476	21,476
Aggregate amount of impairment on investments (Also, refer note 21)	785	785
	20,691	20,691

* As at March 31, 2021, the LLP has assessed the carrying value of the investment in its subsidiary, based on future operational plan and projected cash flows , which has been approved by the Board of Directors of the Parent Company. Considering the aforesaid valuation, the management is of the view that, the carrying value of the investment in its subsidiaries as at March 31, 2021 is appropriate.

**On February 13, 2020, the LLP has set up a wholly owned subsidiary in Bangladesh viz. Subex Bangladesh Private Limited.

11. Trade receivables (Unsecured)

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Considered doubtful	765	876
Less: Allowances for doubtful debts	(765)	(876)
	-	-
Considered good*	8,971	9,396
	8,971	9,396

* includes dues from related parties. Refer note 22.

12. Cash and bank balances

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents		
Balance with bank in current accounts	198	615
In EEFC accounts	1,595	31
Term deposit	8,181	4,365
	9,974	5,011
Other bank balances		
Margin money deposits*	249	119
Amount disclosed under other assets (refer note 15)	(249)	(119)
	-	-

* Represents margin money deposits with banks towards the bank guarantees.



Subex Assurance LLP

Notes to statement of accounts for the year ended March 31, 2021

13. Loans and advances (Unsecured, considered good)**Non-current**

Security deposits	
Balances with statutory/ government authorities	
Loans and advances to related parties	

(₹ in Lakhs)	
As at March 31, 2021	As at March 31, 2020
277	595
2	8
3,400	2,887
3,679	3,490

Current

Loans and advances to employees	
Prepaid expenses	
Advance to suppliers	
Loans and advances to related parties	

71	60
246	259
-	3
1,000	-
1,317	322

14. Income tax assets (net)

Advance income-tax [net of provision for taxation ₹573 Lacs (March 31, 2020: NIL)]

(₹ in Lakhs)	
As at March 31, 2021	As at March 31, 2020
436	344
436	344

15. Other assets (Unsecured, considered good)**Non-current**

Margin money deposit (refer note 12)

(₹ in Lakhs)	
As at March 31, 2021	As at March 31, 2020
-	119
-	119

Current

Unbilled revenue	
Interest accrued but not due on bank deposits	
Expenses incurred on behalf of customers	
Earnest money	
Forward contract	
Margin money deposit (refer note 12)	

1,024	1,178
38	4
10	69
1	-
9	-
249	-
1,331	1,251

<This space has been intentionally left blank>



Subex Assurance LLP**Notes to statement of accounts for the year ended March 31, 2021****16. Revenue from operations**

Sale of products
 Sale of services
 Support services (refer note 30)

(₹ in Lakhs)	
Year ended March 31, 2021	Year ended March 31, 2020
1,003	270
31,454	32,695
240	-
32,697	32,965

17. Other income

Net gain on disposal of property, plant and equipment
 Interest on bank deposits
 Reversal of rent equalisation reserve no longer required*
 Miscellaneous income

(₹ in Lakhs)	
Year ended March 31, 2021	Year ended March 31, 2020
6	-
334	37
226	-
5	4
571	11

* Represents reversal of rent equalisation reserve arising on termination of the lease agreement of existing office premises in India.

18. Employee benefits expense

Salaries and wages (refer note 30)
 Contribution to provident fund and other funds
 Employee share based payments [refer note 29]
 Gratuity expense [refer note 24(b)]
 Staff welfare expenses

(₹ in Lakhs)	
Year ended March 31, 2021	Year ended March 31, 2020
9,119	8,732
314	302
121	84
81	83
350	301
9,985	9,502

19. Depreciation and amortization expense

Depreciation of property, plant and equipment (refer note 8)
 Amortization of intangible assets (refer note 9)

(₹ in Lakhs)	
Year ended March 31, 2021	Year ended March 31, 2020
219	215
1,825	3,380
2,044	3,595

<This space has been intentionally left blank>



Subex Assurance LLP**Notes to statement of accounts for the year ended March 31, 2021****20. Other expenses**

	(₹ in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Cost of hardware, software and support charges	214	260
Sub-contract charges	112	40
Rent	1,048	1,135
Power and fuel	110	167
Repairs and maintenance		
- Building	43	55
- Others	508	596
Insurance	77	64
Communication costs	63	56
Printing and stationery	4	9
Travelling and conveyance	143	1,524
Rates and taxes	11	19
Advertisement and business promotion	95	138
Consultancy charges	254	264
Payments to auditors [refer note 20(i)]	55	60
Marketing and support charges	10,873	10,625
Sales commission	112	181
Provision for doubtful debts (net of reversal)	(111)	131
Exchange fluctuation net loss/(gain)	855	(742)
Bank charges	11	30
Miscellaneous expenses	87	5
	14,564	14,617

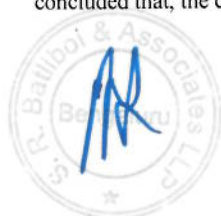
20(i). Payments to auditors (excluding goods and services tax):

	(₹ in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
As auditor		
Audit fee	48	52
Tax audit fee	1	1
In other capacity		
Other services (certification services)	4	3
Reimbursement of expenses	2	4
	55	60

21. Exceptional items*

	(₹ in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Impairment of goodwill	-	8,560
Impairment of investments in subsidiary	-	785
Impairment of intangible asset- Development Technology	-	7,463
	-	16,808

*During the previous year ended March 31, 2020, considering the challenges and significant investment requirements of telecom operators which had resulted in longer opportunity conversion cycle and lower spends towards IT solutions, the management had carried out the annual impairment exercise in respect of its intangible assets and investment in subsidiaries and basis valuation carried out by an external expert had made an impairment provision of ₹16,023 Lakhs towards carrying value of intangible asset and ₹785 Lakhs towards the carrying value of investment in subsidiary [Subex (UK) Ltd]. As at March 31, 2021, the management has reassessed its projections and assumptions and has concluded that, the carrying value of it's intangible assets and investments in its subsidiaries is appropriate.



Subex Assurance LLP

Notes to statement of accounts for the year ended March 31, 2021

22. Related party transactions**(i) Names of related parties and related party relationship****Parent Entity**

Subex Limited

Wholly Owned Subsidiaries

Subex (UK) Limited

Subex Middle East (FZE)

Subex (Asia Pacific) Pte. Limited

Subex Inc.

Subex Bangladesh Private Limited (incorporated w.e.f. February 13, 2020)

Fellow Subsidiaries

Subex Americas Inc.

Subex Digital LLP

Subex Technologies Limited

Designated Partner

Vinod Kumar Padmanabhan

Designated Partner

Venkatraman G S

Designated Partner

(ii) Details of the transactions with the related parties**A. Transactions with wholly owned subsidiaries and fellow subsidiaries****Income from software development and support services:**

	(₹ in Lakhs)	
	Year ended March 31,2021	Year ended March 31,2020
Subex (UK) Limited	13,269	14,390
Subex Inc.	4,261	3,950
Subex (Asia Pacific) Pte. Limited	2,276	1,223
Subex Americas Inc.	752	1,509
Subex Middle East (FZE)	1,908	1,995
Subex Bangladesh Private Limited	240	368
Subex Limited	131	-
Subex Digital LLP	110	-
	22,947	23,435

Marketing and support charges:

Subex (UK) Limited	4,848	5,148
Subex Inc.	3,435	3,984
Subex (Asia Pacific) Pte. Limited	656	999
Subex Americas Inc.	247	225
Subex Middle East (FZE)	233	267
Subex Bangladesh Private Limited	19	2
Subex Limited	1,331	-
Subex Digital LLP	103	-
	10,872	10,625

Employee share based payments (cross charge):

Subex Limited	121	84
	121	84

Reimbursement of expenses incurred by Subex Assurance LLP on behalf of:

Subex (UK) Limited	154	866
Subex (Asia Pacific) Pte. Limited	24	28
Subex Middle East (FZE)	50	27
Subex Limited	48	17
Subex Digital LLP	48	22
Subex Americas Inc.	26	41
Subex Inc.	12	16
Subex Bangladesh Private Limited	3	1
	365	1,018



Subex Assurance LLP

Notes to statement of accounts for the year ended March 31, 2021

Reimbursement of expenses incurred on behalf of Subex Assurance LLP by:

Subex (UK) Limited
Subex (Asia Pacific) Pte. Limited
Subex Middle East (FZE)
Subex Limited
Subex Digital LLP
Subex Americas Inc.
Subex Bangladesh Private Limited
Subex Inc.

Investment made in subsidiary (refer note 10):

Subex Bangladesh Private Limited

Share of profit/ (loss), net, transferred to current account of:

Subex Limited

Net liabilities transferred to (refer note 30):

Subex Limited

Loan and advances given during the year:

Subex Digital LLP

Drawings by the partner during the year:

Subex Limited

Recovery of loans and advances:

Subex Limited

(₹ in Lakhs)	
Year ended March 31, 2021	Year ended March 31, 2020
836	624
74	95
55	213
56	106
-	1
-	40
6	-
-	7
1,027	1,086
-	-
-	-
4,628	(12,930)
4,628	(12,930)
445	-
445	-
1,515	1,515
1,515	1,515
2,600	1,772
2,600	1,772
2	-
2	-

(iii) Details of balances receivable from and payable to related parties as at year ended March 31, 2021:

Trade receivables

Subex Americas Inc.
Subex (Asia Pacific) Pte. Limited
Subex Digital LLP
Subex Inc.
Subex Limited
Subex Middle East (FZE)
Subex (UK) Limited
Subex Bangladesh Private Limited

Trade payables

Subex Americas Inc.
Subex (Asia Pacific) Pte. Limited
Subex Digital LLP
Subex Inc.
Subex Limited
Subex Middle East (FZE)
Subex (UK) Limited
Subex Bangladesh Private Limited

Loans and advances receivable

Subex Digital LLP
Subex Limited

(₹ in Lakhs)	
As at March 31, 2021	As at March 31, 2020
99	156
1,090	367
163	2
1,609	1,274
153	1
1,006	1,467
1,477	2,571
614	387
6,211	6,225
1,276	1,377
120	514
101	-
226	693
1,345	46
107	128
2,049	974
26	2
5,250	3,734
4,400	2,885
-	2
4,400	2,887



Subex Assurance LLP**Notes to statement of accounts for the year ended March 31, 2021****B. Transactions with designated partner:****Salaries and perquisites**

Vinod Kumar Padmanabhan*

(₹ in Lakhs)	
As at March 31, 2021	As at March 31, 2020
283	275
283	275

* During the year ended March 31, 2021, the Parent Company has granted Nil ESOPs (March 31, 2020 : 8,00,000 ESOPs) to designated partner under ESOP 2018 scheme. Also, Nil options (March 31, 2020 : 4,25,000 options) has been exercised by the designated partner during the year.

23. Commitments and contingent liabilities**a) Commitments****Operating leases**

The LLP leases office facilities, residential facilities and servers under cancellable operating lease agreements. The LLP intends to renew such leases in the normal course of its business. Total rental expense under cancellable operating leases was ₹1,048 Lakhs (March 31, 2020: ₹1,135 Lakhs).

b) Contingent liabilities

The LLP has furnished bank guarantees to customers amounting to ₹ 169 Lakhs (March 31, 2020: ₹119 Lakhs).

24. Employee benefit plans**a) Defined contribution plans**

The LLP makes contributions to Provident Fund which is a defined contribution plan for qualifying employees. Under the scheme, the LLP is required to contribute a specified percentage of the payroll costs to fund the benefits. The LLP recognized ₹ 301 Lakhs (March 31, 2020: ₹290 Lakhs) for Provident Fund contributions in the statement of income and expenditure.

b) Defined benefit plans

The LLP offers Gratuity benefits to employees, a defined benefit plan, which 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 following tables summarise the components of net benefit expenses recognised in the statement of income and expenditure and the funded status and amount recognised in the statement of assets and liabilities.

I Components of employee benefits expense

Current service cost	53	71
Interest cost	28	36
Expected return on plan assets	(15)	(17)
Actuarial loss/ (gain)	15	(7)
Total expense recognized in the statement of income and expenditure	81	83

(₹ in Lakhs)	
Year ended March 31, 2021	Year ended March 31, 2020
53	71
28	36
(15)	(17)
15	(7)
81	83

II Actual contribution and benefit payments for the year

Actual benefit payments	98	114
Actual contributions	135	110

III Net asset/ (liability) recognized in statement of assets and liabilities

(₹ in Lakhs)		
As at March 31, 2021	As at March 31, 2020	
Present value of defined benefit obligation	(337)	(480)
Fair value of plan assets	299	244
Net liability recognized in statement of assets and liabilities	(38)	(236)
-Current	38	70
-Non current	-	166



Subex Assurance LLP**Notes to statement of accounts for the year ended March 31, 2021**

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
IV Change in defined benefit obligations during the year		
Obligations at beginning of the year	480	493
Liability transfer (refer note 30)	(145)	-
Current service cost	53	71
Interest cost	28	36
Actuarial loss/(gain)	19	(6)
Benefits paid	(98)	(114)
Present value of defined benefit obligation at the end of the year	337	480
V Change in fair value of assets during the year		
Plan assets at the beginning of the year	244	230
Expected return on plan assets (estimated)	16	17
Actuarial gain	2	1
Actual contributions	135	110
Benefits paid	(98)	(114)
Plan assets at the end of the year	299	244
VI Actual return on plan assets	18	18
VII Expected contribution in the next year	38	70
VIII Major categories of plan assets as a percentage of the fair value of total assets are:		
Investments with insurer	100%	100%

(i) The discount rate is based on the prevailing bond yields of Government of India securities as at the balance sheet date corresponding to a term of approximately 6 years (March 31, 2020: 6 years) which is the expected term of defined benefit obligation.

(ii) The expected rate of return on plan assets is determined after considering several applicable factors such as composition of plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

(iii) 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.

(iv) The mortality rate is based on the table as specified by the Indian Assured Lives Mortality (2012-14) [March 31, 2020: Indian Assured Lives Mortality (2012-14)].

	As at March 31, 2021	As at March 31, 2020
IX Actuarial assumptions		
Discount rate	6.25%	6.41%
Expected return on plan assets	6.41%	7.30%
Salary escalation	7.00%	7.00%
Attrition rate	18.00%	18.00%

X Experience history

	(₹ in Lakhs)				
Particulars	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
Present value of obligation at the end of the period	337	480	493	436	-
Fair value of plan assets at the end of the period	299	244	230	180	-
(Deficit)/surplus	(38)	(236)	(263)	(256)	-
Actuarial loss/(gain) in PBO	19	(6)	21	13	-
Actuarial gain/(loss) for the year - Plan Assets	2	1	1	(1)	-



Subex Assurance LLP

Notes to statement of accounts for the year ended March 31, 2021

25. Unhedged foreign currency exposure:

The entity holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The net foreign currency exposure that has not been hedged by derivative instruments or otherwise as at March 31, 2021 is as follows:

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Receivables		
Trade receivables	7,662	9,194
Cash and bank balances	1,595	31
Other current assets	1,017	1,115
Total (A)	10,274	10,340
Payables		
Trade payables	5,555	3,948
Other current liabilities	124	49
Total (B)	5,679	3,997
Net Unhedged Foreign Currency Exposure (C = A-B)	4,595	6,342

26. Segment Reporting

The LLP identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/ loss amounts are evaluated regularly by the Executive management in deciding how to allocate resources and in assessing performance. The analysis of geographical segments is based on the areas in which customers of the LLP domicile.

The accounting policies adopted for segment reporting are in line with the accounting policies of the LLP. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Common allocable costs are allocated to each segment according to their relative contribution to each segment to the total common costs.

Revenue, expenses, assets and liabilities which relate to the LLP as a whole and are not allocable to segments on a reasonable basis have been included under 'unallocated revenue/ expenses/ assets/ liabilities'.

The LLP operations spans across the world and are categorised geographically as (a) Americas, (b) EMEA (c) India and (d) APAC. 'Americas' comprises the LLP's operations in North America, South America and Canada. 'EMEA' comprises the LLP's operations in Europe, Middle East and Africa and 'APAC' comprises of the Company's operations majorly in Singapore and Australia and Bangladesh. The LLP has identified its secondary segment to be geographical.

Segment revenue by geographical location are as follows:*

	(₹ in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Americas	5,521	5,830
EMEA	21,712	23,412
India	1,412	1,253
APAC	4,052	2,470
	32,697	32,965

* Revenue by geographic area are based on the geographical location of the customer.



Subex Assurance LLP

Notes to statement of accounts for the year ended March 31, 2021

Segment assets by geographical location are as follows:

The following table shows the carrying amount of the segment assets by geographical area in which the assets are located:

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Americas	1,734	1,484
EMEA	5,485	7,987
India	6,704	4,369
APAC	2,241	1,028
Unallocable	43,105	39,806
	59,269	54,674

Property, plant and equipment acquired during the year pertains to India Geography.

27. The entity had got limits sanctioned for working capital loan facility which was secured by primary charge on its customer receivables and paripassu first charge on its current assets and collateral paripassu first charge on its fixed assets. Since this facility has not been utilised throughout the year and has expired on February 07, 2020, the same has not been renewed. Accordingly, the above mentioned charges against the facility have also been released upon expiry of the facility.

28. Provision - foreign withholding taxes, represents provision in respect of withholding taxes deducted/ deductible by the overseas customers of the LLP.

29. Employee stock options plan ('ESOP'):

During the year 2018-19, the Parent Entity pursuant to resolutions passed by the Board and the Shareholders, has adopted "Subex Employees Stock Option Scheme – 2018" (referred to as the "ESOP Scheme 2018" or "ESOP - V") by which certain key employees of the LLP received stock options from the Parent entity under the ESOP Scheme 2018. Each option granted under the ESOP Scheme 2018, entitles the holder thereof with an option to apply for and be issued one equity share of the Parent entity at a range of exercise prices of ₹ 6 to ₹ 18 per share. The equity shares covered under these options were to vest over a period of 2 years from the date of grant. The options granted are capable of being exercised within a period of one year from the date of vesting of the respective options. During the year ended March 31, 2021, the parent entity has granted 5,00,500 options (March 31, 2020: 70,50,000 options) to certain key employees of the LLP. Employee Stock Option Cost of ₹ 121 Lakhs representing (March 31, 2020: ₹ 84 lakhs) cross charge has been recorded under Employee benefits expense.

30. With effect from January 1, 2021, the Parent Company has carried out strategic re-organization and decided to centralize certain key Sales and Business support functions, to drive better efficiency of scale and overall operations. Accordingly, all such employees in sales and business support functions from other group entities in India have been transferred to the Parent Company.

Pursuant to the above re-organisation, common costs pertaining to sales and business support function amounting to ₹ 241 Lakhs has been recovered by the Entity with an agreed mark-up from the Group Companies and is reflected under revenue from operations. Similarly, an amount of ₹ 1,434 Lakhs has been charged to the Entity by the Group Companies and is reflected under marketing and support charges. Also, due to above re organisation, net liabilities of ₹ 445 Lakhs has been transferred to the Parent Company from Subex Assurance LLP.

31. The LLP has entered into 'International transactions' with 'Associated Enterprises' which are subject to Transfer Pricing regulations in India. The LLP is in the process of carrying out transfer pricing study for the year ended March 31, 2021 in this regard, to comply with the requirements of the Income Tax Act, 1961. The Management of the LLP, 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 statement of accounts of the LLP, particularly on account of tax expense and that of provision for taxation.

32. The Entity has considered internal and certain external sources of information including economic forecasts, budgets required to meet performance obligations and likely delays on contractual commitments, upto the date of approval of these statement of accounts, in determining the possible impact from the COVID-19 pandemic. The Entity has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Entity expects to fully recover the carrying amount of its assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these statement of accounts and the Entity will continue to closely monitor any material changes to its assessment of economic impact of COVID-19 pandemic.



Subex Assurance LLP

Notes to statement of accounts for the year ended March 31, 2021

33. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Entity will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
34. Previous year figures have been regrouped/ reclassified, wherever necessary to confirm to current year's classification.

As per our report of even date

For S.R Batliboi & Associates LLP

ICAI Firm Registration Number: 101049W/E300004

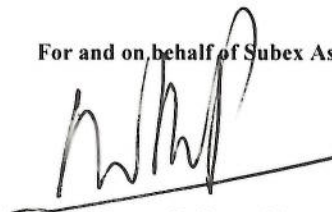
Chartered Accountants


per Rajeev Kumar
Partner
Membership No.: 213803



Place: Bengaluru
Date: May 17, 2021

For and on behalf of Subex Assurance LLP


Vinod Kumar Padmanabhan
Designated partner


Venkatraman G S
Designated partner

Place: Bengaluru
Date: May 17, 2021

Place: Bengaluru
Date: May 17, 2021

