

INDEPENDENT AUDITOR'S REPORT

To the Members of Subex Technologies Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of Subex Technologies Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income/(loss), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income/(loss), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 Ind AS 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 Ind AS financial statements.

Emphasis of matter

We draw attention to notes 1 and 2.1 to the Ind AS financial statements, which describe the basis for preparation of the Ind AS financial statements. As explained, these Ind AS financial statements have been prepared on a liquidation basis of accounting, for the reasons stated in the aforementioned notes. Accordingly, the carrying value of all assets as at March 31, 2021 are presented at their estimated realizable values and all liabilities are presented at their estimated settlement amounts.

Our opinion is not qualified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibility of Management for the 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income/(loss), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Ind AS 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 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 Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income/(loss), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and



S.R. BATLIBOI & ASSOCIATES LLP

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- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 19 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Rajeev Kumar
Partner

Membership Number: 213803

UDIN: 21213803AAAABS4538



Place of Signature: Bengaluru

Date: May 17, 2021

Annexure 1 to the Independent Auditor's Report of even date on the Ind AS Financial Statements of Subex Technologies Limited**Statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order")**

- (i) The Company did not own any property, plant and equipment, intangible assets and immovable properties during the year. Accordingly, the requirements under paragraph 3(i) (a), (b) and (c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given by the management, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for the products/ services of the Company.
- (vii)(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and services tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and services tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the Statute	Nature of the Dues	Amount (₹ in thousands)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Income Tax	6,027.12*	Financial year 2008-09	November 30, 2011	Not paid

* net off amount of ₹ 14.82 thousands paid by Axis Bank ('the Bank') to the Income Tax Department pursuant to notice issued to the Bank under section 226(3) of the Income tax Act, 1961.



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- (c) According to the records of the Company, there are no dues of income-tax, duty of customs, goods and services tax and cess, which have not been deposited on account of any dispute, except the following:

Name of the Statute	Nature of the dues	Disputed amount (₹ in thousands)*	Amount paid under protest (₹ in thousands)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Income tax	308,806.34	4,720.85	2007-08	Hon'ble High Court of Karnataka
		121,408.42	-	2007-08	Hon'ble High Court of Karnataka

* Excluding penalty and interest from the date of Order to March 31, 2021.

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by the way of initial public offer / further public offer (including debt instruments) and term loans during the year. Hence, reporting under paragraph 3(ix) of the Order is not applicable to the Company.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS Financial Statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) of the order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) According to the information and explanations given by the management and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.



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- (xvi) According to the information and explanations given by the management, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Rajeev Kumar
Partner

Membership Number: 213803

UDIN: 21213803AAAAABS4538



Place of Signature: Bengaluru

Date: May 17, 2021

Annexure 2 to the Independent Auditor's Report of even date on the Ind AS Financial Statements Of Subex Technologies 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 Ind AS financial statement of Subex Technologies Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the 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 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 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 Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these 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 Ind AS 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 Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Ind AS Financial Statements

A Company's internal financial control with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to 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 Ind AS 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 Ind AS financial statements.



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Inherent Limitations of Internal Financial Controls With Reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to 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 Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Rajeev Kumar
Partner

Membership number: 213803

UDIN: 21213803AAAABS4538



Place: Bengaluru

Date: May 17, 2021

Subex Technologies Limited
Balance sheet as at March 31, 2021

		(₹ in thousands)	
	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Financial assets			
Other balances with banks	3	130.00	130.00
Income tax assets (net)	4	3,938.38	3,938.38
		4,068.38	4,068.38
Current assets			
Financial assets			
Loans	5	151.11	151.11
Cash and cash equivalents	6	3,476.97	3,915.96
Other financial assets	7	166.05	150.15
		3,794.13	4,217.22
Total assets		7,862.51	8,285.60
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	50,000.00	50,000.00
Other equity	9	(48,490.75)	(48,065.78)
Total equity		1,509.25	1,934.22
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables			
-total outstanding dues of micro enterprises and small enterprises	10	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	10	278.46	273.46
Other financial liabilities	11	30.80	30.80
Other current liabilities	12	16.88	20.00
Income tax liabilities (net)	13	6,027.12	6,027.12
Total liabilities		6,353.26	6,351.38
Total equity and liabilities		7,862.51	8,285.60

Corporate information and significant accounting policies
The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Rajeev Kumar
Partner
Membership number: 213803

Place: Bengaluru
Date: May 17, 2021

1 & 2

For and on behalf of the Board of Directors

Vinod Kumar Padmanabhan
Director
DIN: 06563872

Venkatraman G S
Director
DIN: 08280089

G V Krishnakanth
Company Secretary



Place: Bengaluru
Date: May 17, 2021

Subex Technologies Limited

Statement of profit and loss for the year ended March 31, 2021

	Notes	(₹ in thousands)	
		Year ended March 31, 2021	Year ended March 31, 2020
1 Income			
Other income	14	15.90	20.52
Total income		15.90	20.52
2 Expenses			
Finance costs	15	1.85	0.71
Other expenses	16	439.02	441.67
Total expenses		440.87	442.38
3 Loss before tax expense (1-2)		(424.97)	(421.86)
4 Tax expense		-	-
5 Loss for the year (3-4)		(424.97)	(421.86)
6 Other comprehensive income/ (loss) ('OCI'), net of tax		-	-
7 Total comprehensive income/ (loss) for the year (5+6)		(424.97)	(421.86)
8 Basic and diluted loss per equity share (₹) [nominal value of share ₹ 10 (March 31, 2020: ₹ 10)]	17	(0.08)	(0.08)

Corporate information and significant accounting policies
The accompanying notes are an integral part of the financial statements

As per our report of even date

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


per Rajeev Kumar
Partner
Membership number: 213803



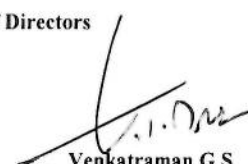
Place: Bengaluru
Date: May 17, 2021

1 & 2
For and on behalf of the Board of Directors


Vinod Kumar Padmanabhan
Director
DIN: 06563872


G V Krishnakanth
Company Secretary

Place: Bengaluru
Date: May 17, 2021


Venkatraman G S
Director
DIN: 08280089



Subex Technologies Limited
Statement of cash flows for the year ended March 31, 2021

	(₹ in thousands)	
	Year ended March 31, 2021	Year ended March 31, 2020
A Operating activities		
Loss before tax expense	(424.97)	(421.86)
<i>Adjustments to reconcile loss before tax expense to net cash flows:</i>		
Interest income	(15.90)	(20.52)
Finance costs	1.85	0.71
Operating loss before working capital changes	(439.02)	(441.67)
<i>Working capital adjustments:</i>		
(Increase)/decrease in loans	-	(18.00)
Increase/ (decrease) in trade payables	5.00	(34.36)
Increase/(decrease) in other current liabilities	(3.12)	-
	(437.14)	(494.03)
Income tax paid (including TDS)	-	-
Net cash flows used in operating activities	(437.14)	(494.03)
B Investing activities		
Interest received	-	0.01
Net cash flows from investing activities	-	0.01
C Financing activities		
Finance cost	(1.85)	(0.71)
Net cash flows used in financing activities	(1.85)	(0.71)
D Net decrease in cash and cash equivalents (A+B+C)	(438.99)	(494.73)
Cash and cash equivalents at the beginning of the year	3,915.96	4,410.69
E Cash and cash equivalents at year end (refer note 6)	3,476.97	3,915.96

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

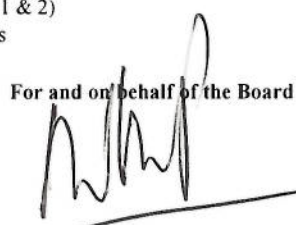
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ICAI Firm registration number: 101049W/E300004


per Rajeev Kumar
Partner
Membership number: 213803

Place: Bengaluru
Date: May 17, 2021

For and on behalf of the Board of Directors


Vinod Kumar Padmanabhan
Director
DIN: 06563872


GV Krishnakanth
Company Secretary

Place: Bengaluru
Date: May 17, 2021


Venkatraman G S
Director
DIN: 08280089



Subex Technologies Limited
Statement of changes in equity for the year ended March 31, 2021

A. Equity share capital (refer note 8):

Equity shares of ₹ 10 each issued, subscribed and fully paid

As at April 1, 2019
 Issued during the year
 As at March 31, 2020
 Issued during the year
 As at March 31, 2021

No.	(₹ in thousands)
50,00,000	50,000.00
-	-
50,00,000	50,000.00
-	-
50,00,000	50,000.00

B. Other equity (refer note 9):

Attributable to equity holders of the Company

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

(₹ in thousands)
Deficit in the statement of profit and loss
(47,643.92)
(421.86)
(48,065.78)
(424.97)
(48,490.75)

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

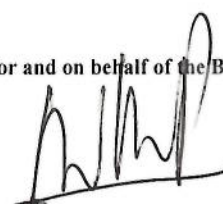
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As per our report of even date

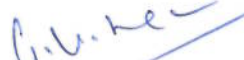
For S.R. Batliboi & Associates LLP
 Chartered Accountants
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 per Rajeev Kumar
 Partner
 Membership number: 213803


For and on behalf of the Board of Directors


 Vinod Kumar Padmanabhan
 Director
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 Director
 DIN: 08280089


 G V Krishnakanth
 Company Secretary

Place: Bengaluru
 Date: May 17, 2021

Place: Bengaluru
 Date: May 17, 2021



Subex Technologies Limited
Notes to the financial statements for the year ended March 31, 2021

1. Corporate information

Subex Technologies Limited ("the Company"), was formed to provide Operations and Business Support Systems (OSS/BSS) to communication service providers (CSPs) worldwide in the Telecom industry.

The Board of Directors of the Company has passed a resolution to close the operations of the Company with effect from April 01, 2013.

2. Significant accounting policies

2.1 Basis for preparation of financial statements

As discussed in Note 1 above, the Board of Directors of the Company passed a resolution to close the operations of the Company with effect from April 1, 2013, hence, the financial statements of the Company have been prepared under the liquidation basis of accounting whereby the carrying value of all assets as at March 31, 2021 are presented at their estimated realizable value and all liabilities are presented at their estimated settlement amounts. The Statement of Profit and Loss and cash flows from operations pertaining to the current year, represent discontinued operations. The Company does not have any other operations in the prior or current year, and accordingly no separate disclosures have been made.

The financial statements of the Company have been prepared and presented in accordance with accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time).

The 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 accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

The Company determines the functional currency as INR on the basis of primary economic environment in which the entity operates. The financial statements are presented in INR ("₹") and all the values are rounded off to the nearest Thousands (INR 000) except when otherwise indicated.

2.2 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in the future periods. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable.

Refer note 2.6 and 2.8 for details of key source of estimation of uncertainty as at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

2.3 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:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii. Held primarily for the purpose of trading
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

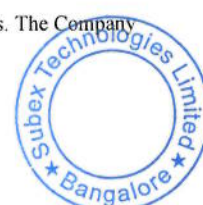
All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle
- ii. It is due to be settled within twelve months after the reporting period, or
- iii. 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.

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.



2.4 Revenue recognition

Interest

Interest income is recognized as it accrues in the statement of profit and loss using effective interest rate method.

2.5 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.

2.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised when the Company becomes a party to the contract that gives rise to financial assets and liabilities. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets

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 liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial assets and liabilities

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial asset/ liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the 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 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.



Impairment

The Company assesses impairment of financial assets ('Financial instruments') and recognises expected credit losses in accordance with Ind AS 109. The Company provides for impairment of trade receivables outstanding for more than 1 year from the date they are due for payment and billing respectively. The Company also assesses for impairment of financial assets on specific identification basis at each period end.

The source of estimation of uncertainty for above activity may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.7 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.

2.8 Taxes on income

Income tax expense comprises current tax expense. Current tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in other equity, in which case, the current tax is also recognised in other comprehensive income or directly in other equity, respectively.

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

The significant judgments involved in determining the provision for income taxes and tax credits including the amount expected to be paid or refunded, may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.9 Provision and contingencies

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation. If the effect of time value of money is material, provision is discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

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

2.10 Earnings/ (loss) per share

Basic earnings/ (loss) per share is computed by dividing the profit/ (loss) after tax attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.



Subex Technologies Limited

Notes to the financial statements for the year ended March 31, 2021

3. Other balances with banks

	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Non-current		
Other bank balances (refer note 6)		
Margin money deposits*	130.00	130.00
	130.00	130.00

* Represents the margin money deposits with banks towards the bank guarantees, having remaining maturity period of more than 12 months from the balance sheet date, these deposits are made for varying periods, depending on the requirements of business and earn interest at the respective term deposit rates.

4. Income tax assets (net)

	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Non-current		
Advance income-tax [net of provision for taxation ₹ 268.04 Thousands (March 31, 2020: ₹ 268.04 Thousands)]	3,938.38	3,938.38
	3,938.38	3,938.38

5. Loans

Unsecured

Carried at amortised cost

	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Current		
(considered good)		
Security deposits	68.00	68.00
Receivable from related party (refer note 18)	83.11	83.11
	151.11	151.11

6. Cash and cash equivalents

	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Current		
Balance with banks		
In current accounts	3,476.97	3,915.96
	3,476.97	3,915.96
Non-current		
Other balances with banks		
Deposits with remaining maturity for more than 12 months	130.00	130.00
	130.00	130.00
Less: Disclosed under other balances with banks (Non-current) (refer note 3)	(130.00)	(130.00)
	-	-

For the purpose of the statement of cash flows, cash and cash equivalents comprise the total of current portion of cash and cash equivalents as above.

7. Other financial assets

Unsecured, considered good

Carried at amortized cost

	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Current		
Interest accrued but not due on bank deposits	166.05	150.15
	166.05	150.15



8. Share capital

Authorised share capital

	No.	(₹ in thousands)
Equity shares of ₹ 10 each		
As at April 1, 2019	60,00,000	60,000.00
Increase during the year	-	-
As at March 31, 2020	60,00,000	60,000.00
Increase during the year	-	-
As at March 31, 2021	60,00,000	60,000.00

Issued, subscribed and fully paid-up share capital

	No.	(₹ in thousands)
Equity shares of ₹ 10 each issued, subscribed and fully paid-up		
As at April 1, 2019	50,00,000	50,000.00
Issued during the year	-	-
As at March 31, 2020	50,00,000	50,000.00
Issued during the year	-	-
As at March 31, 2021	50,00,000	50,000.00

(a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 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.

The Company has not declared any dividend during the years ended March 31, 2021 and March 31, 2020.

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) Shares held by holding company:

Equity shares of ₹ 10 each issued, subscribed and fully paid-up

	As at March 31, 2021		As at March 31, 2020	
	No.	₹ in thousands	No.	₹ in thousands
Subex Limited, the holding company	49,99,991	49,999.91	49,99,991	49,999.91

(c) Details of shares held by each shareholder holding more than 5% shares in the Company

Equity shares of ₹ 10 each issued, subscribed and fully paid-up

	As at March 31, 2021		As at March 31, 2020	
Name of the shareholders	No.	% of total shares	No.	% of total shares
Subex Limited, the holding company	49,99,991	99.99%	49,99,991	99.99%

(d) The Company has not issued any bonus shares or shares for consideration other than cash or bought back shares during the period of five years immediately preceding the reporting date. Further, the Company has no shares reserved for issue under any options.

9. Other equity

	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Deficit in the statement of profit and loss		
Balance as per last financial statements	(48,065.78)	(47,643.92)
Add: Loss for the year	(424.97)	(421.86)
Closing balance	(48,490.75)	(48,065.78)



Subex Technologies Limited

Notes to the financial statements for the year ended March 31, 2021

10. Trade payables

Carried at amortized cost

	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Current		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises*	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	278.46	273.46
	278.46	273.46
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 23.		

* Based on information available with the Company, there are no suppliers who are registered as micro enterprises and small enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2021 and March 31, 2020.

11. Other financial liabilities

Carried at amortized cost

	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Current		
Payable to related party (refer note 18)	30.80	30.80
	30.80	30.80

12. Other current liabilities

	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Current		
Statutory remittances	16.88	20.00
	16.88	20.00

13. Income tax liabilities (net)

	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Current		
Provision for litigation [net of advance tax ₹ 14.82 Thousands (March 31, 2020: ₹ 14.82 Thousands)]	6,027.12	6,027.12
	6,027.12	6,027.12

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

	(₹ in thousands)	
	Year ended March 31, 2021	Year ended March 31, 2020
Tax expense:	-	-
Total tax expense	-	-

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

	(₹ in thousands)	
	Year ended March 31, 2021	Year ended March 31, 2020
Loss before tax	(424.97)	(421.86)
Applicable tax rates in India	26.00%	26.00%
Computed tax charge (A)	(110.49)	(109.68)
Components of tax expense:		
Current tax:		
Deferred tax asset not recognized on carry forward loss	110.49	109.68
Total adjustments (B)	110.49	109.68
Total tax expense (A+B)	-	-



Subex Technologies Limited

Notes to the financial statements for the year ended March 31, 2021

14. Other income

	(₹ in thousands)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on:		
Bank deposits	15.90	20.52
	15.90	20.52

15. Finance cost

	(₹ in thousands)	
	Year ended March 31, 2021	Year ended March 31, 2020
Bank charges	1.85	0.71
	1.85	0.71

16. Other expenses

	(₹ in thousands)	
	Year ended March 31, 2021	Year ended March 31, 2020
Rent	92.40	92.40
Rates and taxes	10.62	-
Consultancy charges	-	13.27
Payments to auditors*	236.00	236.00
Directors sitting fees	100.00	100.00
	439.02	441.67

*Payments to auditors:

	(₹ in thousands)	
	Year ended March 31, 2021	Year ended March 31, 2020
As auditor		
Audit fee	200.00	200.00
Goods & Service Tax	36.00	36.00
	236.00	236.00

17. Loss per share

Basic loss per share (LPS) amounts are calculated by dividing the loss for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Computation of basic and diluted LPS:*

	Year ended March 31, 2021	Year ended March 31, 2020
Nominal value per equity share (₹ per share)	10.00	10.00
Loss attributable to equity shareholders (₹ in thousands)	(424.97)	(421.86)
Weighted average number of equity shares (No. in thousands)	5,000.00	5,000.00
Loss per share basic and diluted (₹ per share)	(0.08)	(0.08)

* The Company does not have any potential dilutive equity shares as at March 31, 2021 and March 31, 2020.



Subex Technologies Limited
Notes to the financial statements for the year ended March 31, 2021

18. Related party transactions

i. Related parties where control exists

Holding Company Subex Limited

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

Key management personnel

Devika Sathyanarayana	Director
Vinod Kumar Padmanabhan	Director
Venkatraman G S	Director
G. V. Krishnakanth	Company Secretary

Details of the transactions with the related parties during the year ended March 31, 2021:

A. Transactions with key managerial personnel

	(₹ in thousands)	
	Year ended March 31, 2021	Year ended March 31, 2020
Director sitting fees		
Devika Sathyanarayana	100.00	100.00
	100.00	100.00

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

	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Loans receivable		
Subex Limited	83.11	83.11
	83.11	83.11
Loans and advances payable		
Subex Limited	30.80	30.80
	30.80	30.80

19. Contingent liabilities

	(₹ in thousands)	
Particulars	As at March 31, 2021	As at March 31, 2020
Income tax demands *	4,30,214.76	4,30,214.76
Other guarantee (towards custom authorities)	130.00	130.00

*The Company had received demand orders in relation to disallowance of subcontracting charges on non-deduction of withholding taxes pertaining to financial year ended March 31, 2008, amounting to ₹ 308,806.34 thousands under section 143(3) of Income Tax Act, 1961 and ₹ 121,408.42 thousands under section 201(1) of Income Tax Act, 1961. In the matter relating to demand u/s 143(3) of Income Tax Act, 1961, the Company had received a favourable decision from the Honourable Income Tax Appellate Tribunal in the financial year 2016-17. Subsequently, the Department of Income Tax has filed an appeal in this regard with the Honorable High Court. The matter relating to section 201(1) of Income Tax Act, 1961 is stayed in the interim by the Honorable High Court pending the hearing in respect of the matter. Based on the opinion received from the external consultants, the management is of the view that, these expenses are deductible from taxable income, and is confident that the demands raised by the Assessing Officers are not tenable under law. Pending outcome of the aforesaid matters under litigation, no provision has been made in the books of account in respect of these tax demands.

20. Employee benefit plans

The Company did not have any employees during the current and the previous years. Accordingly, the disclosures relating to employee benefit plans is not applicable to the Company.



21. Leases

The Company has taken the office facility under cancellable operating lease agreement with lease period of 11 months, such lease agreement is renewable at the option of the Company. Total rental expenses for the year under cancellable operating lease is ₹ 92.40 Thousands (March 31, 2020: ₹ 92.40 Thousands).

22. Fair value hierarchy

The carrying value of financial instruments by categories is as follows:

Particulars	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Financial assets measured at amortized cost		
Interest accrued but not due on bank deposits *	166.05	150.15
Security deposits ^	68.00	68.00
Receivable from related party *	83.11	83.11
	317.16	301.26
Cash and cash equivalents and other balances with banks		
Balance with banks	3,476.97	3,915.96
Margin money deposits	130.00	130.00
	3,606.97	4,045.96
Financial liabilities measured at amortized cost		
Trade payables*	278.46	273.46
Other payables to related parties *	30.80	30.80
	309.26	304.26

* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature. Accordingly, these are classified as level 3 of fair value hierarchy.

^ The fair value of these accounts was calculated based on cash flow discounted using a current lending/ borrowing rate, they are classified as level 3 fair value hierarchy due to inclusion of unobservable inputs including counterparty credit risk.

23. Capital and financial risk management:

The Company's operations are discontinued and is fully funded by holding company, accordingly the capital management disclosure is not applicable and hence not disclosed. Further, Company's activities are exposed to credit risk and liquidity risk as detailed below:

i. Credit risk:

The Company's financial assets consists of deposits with banks, interest accrued on bank deposits, rental deposits and receivables from related party. The Company generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Counter-party credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company does not foresee any credit risk with respect to other financial assets including receivable from related party.

ii. Liquidity risk

The Company is non-operational and is not carrying on any business. The Company is fully dependent on its holding Company for meeting its liabilities. The holding Company has committed to meet the funding requirements of the Company. Accordingly no liquidity risk is perceived. Further, the Company's financial liabilities consisting of trade payables and dues to related parties mature within 0-180 days from reporting date.

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

Particulars	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	3,476.97	3,915.96
Other balances with banks	130.00	130.00
	3,606.97	4,045.96



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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors

Vinod Kumar Padmanabhan

Director

DIN: 06563872

Venkatraman G S

Director

DIN: 08280089

GV Krishnakanth

Company Secretary

per **Rajeev Kumar**
Partner

Membership number: 213803

Place: Bengaluru

Date: May 17, 2021

Place: Bengaluru

Date: May 17, 2021

