S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001, India
Tel : +91 80 6648 9000

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 2023, 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 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, 2023, its loss 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

S.R. Batliboi & Associates LLP Bengaluru 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.

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

Rajeev Kumar

per Rajeev Kumar
Partner
Membership number: 213803

S. R. Batliboi & Associates LLP
Bengaluru

UDIN: 23213803BGXAMB9599

Place of Signature: Bengaluru
Date: August 08, 2023

Subex Assurance LLP
Statement of accounts
Statement of assets and liabilities as at March 31, 2023

(₹ in Lakhs)

	Notes	As at March 31, 2023	As at March 31, 2022*
Equity and Liabilities			
Partners' funds			
Partners' capital account	3	30,756	39,956
Partners' current account	3	172	978
		30,928	**40,934**
Non-current liabilities			
Deferred tax liability (net)	4	3,455	3,256
Other long-term liabilities	6	2	46
		3,457	**3,302**
Current liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	5	-	132
- total outstanding dues of creditors other than micro enterprises and small enterprises	5	105	6,832
Other current liabilities	6	57	994
Short-term provisions	7	8	200
		170	**8,158**
Total		**34,555**	**52,394**
Assets			
Non-current assets			
Property, plant and equipment and intangible assets			
Property, plant and equipment	8	4	698
Intangible assets	9	8,355	10,179
Non-current investments	10	20,691	20,691
Long-term loans and advances	13	12	294
Income tax assets (net)	14	684	1,925
		29,746	**33,787**
Current assets			
Current investments	10	619	1,165
Trade receivables	11	1,318	11,119
Cash and bank balances	12	2,718	4,732
Short-term loans and advances	13	18	424
Other current assets	15	136	1,167
		4,809	**18,607**
Total		**34,555**	**52,394**

The entity information and significant accounting policies 1 & 2
The accompanying notes are an integral part of the statement of accounts.
* Refer note 1 (c)

As per our report of even date

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

Rajeev Kumar

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: August 08, 2023

For and on behalf of Subex Assurance LLP

Vinod Kumar Padmanabhan
Designated partner
DPIN: 06563872

Place: Bengaluru
Date: August 08, 2023

Shiv Shankar Naga Roddam
Designated partner
DPIN: 07212118

Place: Bengaluru
Date: August 08, 2023

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Subex Assurance LLP
Statement of accounts
Statement of income and expenditure for the year ended March 31, 2023

	Notes	Year ended March 31, 2023	Year ended March 31, 2022*
		(₹ in Lakhs)	
1 Income			
Revenue from operations	16	1,921	28,933
Other income	17	465	271
Total income		**2,386**	**29,204**
2 Expenses			
Employee benefits expense	18	364	8,863
Depreciation and amortization expense	19	1,830	2,168
Other expenses	20	276	16,099
Total expenses		**2,470**	**27,130**
3 (Loss)/profit before tax expense(1-2)		**(84)**	**2,074**
4 Tax expense			
Current tax		-	7
Provision - foreign withholding taxes (net)	26	519	-
Income Tax for earlier years		4	-
Deferred tax charge	4	199	714
Total tax expense		**722**	**721**
5 (Loss)/profit after tax expense (3-4)		**(806)**	**1,353**

The entity information and significant accounting policies 1 & 2
The accompanying notes are an integral part of the statement of accounts.
* Refer note 1 (c)

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: August 08, 2023

For and on behalf of Subex Assurance LLP

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Subex Assurance LLP ★ Bangalore-560103

S. R. Batliboi & Associates LLP ★ Bengaluru

Subex Assurance LLP
Statement of accounts
Statement of cash flows for the year ended March 31, 2023

(₹ in Lakhs)

		Year ended March 31, 2023	Year ended March 31, 2022*
A	**Operating activities**		
	Profit/(loss) before tax expense	**(84)**	**2,074**
	Adjustments to reconcile profit/(loss) before tax expense to net cash flows:		
	Depreciation and amortization	1,830	2,168
	Interest on bank deposit	(111)	(248)
	Interest on income tax refund	(55)	-
	Net gain on sale of investment	(20)	(21)
	Provision for doubtful debts (net)	13	(79)
	Net foreign exchange differences	(37)	608
	Operating profit before working capital changes	**1,536**	**4,502**
	Working capital adjustments:		
	(Increase)/ decrease in loans and advances	41	(126)
	(Increase)/ decrease in trade receivables	(1,023)	(2,567)
	(Increase)/ decrease in other assets	4	56
	Increase/ (decrease) in trade payables	(2,950)	1,016
	Increase/ (decrease) in other current liabilities	23	(857)
	Increase/ (decrease) in provisions	(18)	47
		(2,387)	**2,071**
	Income tax paid, net of refunds (including TDS)	773	(1,496)
	Net cash flows from operating activities	**(1,614)**	**575**
B	**Investing activities**		
	Purchase of property, plant and equipment	-	(349)
	Movement in margin money deposits (net)	45	96
	Movement in other bank balances (net)	1,810	(1,810)
	Interest received	119	275
	Purchase of investment in mutual funds	(3,275)	(6,797)
	Sale of investment in mutual funds	2,677	5,653
	Loan repaid/ (given) by related parties (net)	-	4,400
	Net cash flows used in investing activities	**1,376**	**1,468**
C	**Financing activities**		
	Withdrawal from partner's capital account	(9,200)	(4,800)
	Withdrawal from partner's current account	-	(4,274)
	Purchase consideration received for business restructuring (refer note 1(c))	9,229	-
	Net cash flows from/(used) in financing activities	**29**	**(9,074)**
D	**Net decrease in cash and cash equivalents (A+B+C)**	**(209)**	**(7,031)**
	Net foreign exchange difference	5	(21)
	Cash and cash equivalents at the beginning of the year	2,922	9,974
E	**Cash and cash equivalents at year end**	**2,718**	**2,922**
	Components of cash and cash equivalents		
	Balance with banks:		
	in current account	39	298
	in EEFC accounts	5	234
	in Term deposit	2,674	2,390
	Total cash and cash equivalents (note 11)	**2,718**	**2,922**

Entity information and significant accounting policies 1 & 2
The accompanying notes are an integral part of the statement of accounts.
* Refer note 1 (c)

As per our report of even date

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

Rajeev Kumar

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: August 08, 2023

S. R. Batliboi & Associates LLP Bengaluru

For and on behalf of Subex Assurance LLP

Vinod Kumar Padmanabhan
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Place: Bengaluru
Date: August 08, 2023

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Subex Assurance LLP

Notes to statement of accounts for the year ended March 31, 2023

1. Entity information

About the LLP

(a) 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.

(b) The Board of Directors of the Parent Company in its meeting held on October 28, 2021 has approved the restructuring of the business, subject to all requisite approvals, wherein certain assets and liabilities of Subex Assurance LLP will be transferred to Subex Limited excluding Developed Technology and Investment in subsidiaries. On February 23, 2022, the shareholder of the Parent Company approved the aforesaid restructuring through postal ballot.

(c) Pursuant to approval of the Board of Directors and Shareholders of the Parent Company for restructuring of the business, effective April 1, 2022, certain assets and liabilities of the LLP, wholly owned subsidiary, were transferred to the Parent Company for an aggregate consideration of ₹ 9,229 Lakhs. The aforesaid restructuring was being carried out to achieve higher operational efficiencies upon integration and consolidation of business in the listed entity. The LLP will continue to hold revenue maximisation solutions intellectual property rights ("IPR") & related research and development unit, investment in subsidiaries, cash and bank balances and other related balances. The LLP will earn royalty on use of such IPR by the Parent Company. Accordingly, the figures of current year are not comparable with previous year.

Effective from April 1, 2022, the LLP has transferred the following assets and liabilities for a purchase consideration of ₹ 9,229 Lakhs:

Particulars	Amount (₹ in Lakhs)
Assets	
Trade receivables	10,798
Investments	1,165
Unbilled Revenue	889
Tangible Assets	689
Loans and advances to employees	50
Prepaid expenses	332
Recoverable Expenses	39
Security deposits	264
Advance to supplier	1
Total assets (A)	**14,227**
Liabilities	
Trade payables	3,907
Employee Benefits-Gratuity	48
Employee Benefits-Leave Encashment	126
Employee related liabilities	254
Statutory dues	86
Unearned Revenue	577
Total Liabilities (B)	**4,998**
Total Purchase Consideration (A-B)	**9,229**

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 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.

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Subex Assurance LLP
Notes to statement of accounts for the year ended March 31, 2023

c. Revenue recognition

Pursuant to note 1(c), the LLP earns royalty on use of its intellectual property rights by the Parent Company on accrual basis in accordance with royalty agreement. Till March 31, 2022, LLP derived its revenues from sale of license and implementation of its software and managed/ support services.

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

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.

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.

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.

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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.

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.

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Subex Assurance LLP Bangalore-560103

Subex Assurance LLP
Notes to statement of accounts for the year ended March 31, 2023

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.

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.

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S. R. Batliboi & Associates LLP ★ Bengaluru

Subex Assurance LLP
Notes to statement of accounts for the year ended March 31, 2023

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.
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.

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Notes to statement of accounts for the year ended March 31, 2023

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.

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Subex Assurance LLP
Notes to statement of accounts for the year ended March 31, 2023

3 Partners' funds

Movement in partner's capital and current account:

(₹ in Lakhs)

Particulars	Subex Limited		Subex Digital LLP		Total	
	Capital Account	Current Account	Capital Account	Current Account	Capital Account	Current Account
% Holding (as per LLP agreement)	**99.99%**	**99.99%**	**0.01%**	**0.01%**		
As at April 01, 2021	44,756	3,899	-	-	44,756	3,899
Add: Contribution during the year	-	-	-	-	-	-
Add/(less): Share of profit/(loss) for the year#	-	1,353	-	-	-	1,353
Less: Withdrawals during the year	(4,800)	(4,274)	-	-	(4,800)	(4,274)
As at March 31, 2022*	**39,956**	**978**	**-**	**-**	**39,956**	**978**
Add: Contribution during the year	-	-	-	-	-	-
Add/(less): Share of profit/(loss) for the year#	-	(806)	-	-	-	(806)
Less: Withdrawals during the year	(9,200)	-	-	-	(9,200)	-
As at March 31, 2023	**30,756**	**172**	**-**	**-**	**30,756**	**172**

* Refer note 1 (c)

Refer note 3 (a)

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Subex Assurance LLP
Notes to statement of accounts for the year ended March 31, 2023

3(a) Reserves and Surplus

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Profit as per statement of income and expenditure	(806)	1,353
Less: Appropriation of profit to partners' current account		
Subex Limited Current Account (99.99%)	(806)	1,353
Subex Digital LLP Current Account (0.01%)	-	-
Total Appropriations	**(806)**	**1,353**
Closing balance	-	-

* Refer note 1 (c)

4 Deferred tax liability/ (assets) (net)

(₹ in Lakhs)

		Statement of assets and liabilities		Statement of income and expenditure	
		As at March 31, 2023	As at March 31, 2022*	As at March 31, 2023	Year ended March 31, 2022*
Deferred tax liabilities**					
Depreciation and amortization expense: Difference between taxdepreciation and depreciation and amortization expense		3,592	3,556	36	257
		3,592	**3,556**	**36**	**257**
Deferred tax assets					
Provision for employee benefits and others		137	300	(163)	(457)
		137	**300**	**(163)**	**(457)**
Total	**A-B**	**3,455**	**3,256**	**199**	**714**

* Refer note 1 (c)
**Deferred tax liability/ (assets) (net), comprises of liability arising on account of tax benefits from amortization of intangible assets of the LLP, net of deferred tax assets arising on account of other taxable temporary differences, which arose mainly on account of business restructuring effected from November 1, 2017, wherein, the Parent Company's RMS business was transferred on going concern basis to the LLP. Effective April 01, 2021 considering the favourable order received, no additional liability is created in respect of aforesaid tax benefits. Also refer note 22(b)(ii).

5 Trade payables

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Trade payables		
- total outstanding dues of micro enterprises and small enterprises#	-	132
- total outstanding dues of creditors other than micro enterprises and small enterprises##	105	6,832
	105	**6,964**

 # Payable to micro enterprises and small enterprises

(₹ in Lakhs)

Description	As at March 31, 2023	As at March 31, 2022*
a) the principal amount remaining unpaid to any supplier as at the end of accounting year;	-	132
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	-	-

* Refer note 1 (c)
\## includes dues to related parties. Refer note 21.

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6 Other liabilities

	As at March 31, 2023	As at March 31, 2022*
		(₹ in Lakhs)
Non-current		
Rent equalisation reserve	2	46
	2	**46**
Current		
Employee related liabilities	52	332
Unearned revenue	-	407
Forward contract	-	
Statutory dues	5	255
	57	**994**

* Refer note 1 (c)

7 Provisions

	As at March 31, 2023	As at March 31, 2022*
		(₹ in Lakhs)
Current		
Provision for employee benefits		
Provision for gratuity [refer note 23(b)]	-	56
Provision for compensated absences	8	144
Provision for taxes	-	-
	8	**200**

* Refer note 1 (c)

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Subex Assurance LLP
Notes to statement of accounts for the year ended March 31, 2023

8 Property, plant and equipment

(₹ in Lakhs)

	Computer equipment	Furniture and fixtures	Leasehold improvements	Office equipment	Total
Cost					
As at April 1, 2021	1,140	5	264	91	1,500
Additions	174	-	-	1	175
Disposals	-	-	-	-	-
As at March 31, 2022*	1,314	5	264	92	1,675
Additions	-	-	-	-	-
Transfer*	(1,276)	(5)	(264)	(92)	(1,637)
As at March 31, 2023	38	-	-	-	38
Depreciation					
As at April 1, 2021	581	4	9	39	633
Charge for the year	277	-	53	14	344
Disposals	-	-	-	-	-
As at March 31, 2022*	858	4	62	53	977
Charge for the year	6	-	-	-	6
Transfer*	(830)	(4)	(62)	(53)	(949)
As at March 31, 2023	34	-	-	-	34
Net block					
As at March 31, 2022*	456	1	202	39	698
As at March 31, 2023	4	-	-	-	4

9 Intangible assets

(₹ in Lakhs)

	Computer software	Customer contracts	Development technology	Goodwill	Total
Cost					
As at April 1, 2021	57	70	27,753	10,925	38,805
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at March 31, 2022*	57	70	27,753	10,925	38,805
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at March 31, 2023	57	70	27,753	10,925	38,805
Amortization and Impairment**					
As at April 1, 2021	57	70	15,750	10,925	26,802
Charge for the year	-	-	1,824	-	1,824
Disposals	-	-	-	-	-
As at March 31, 2022*	57	70	17,574	10,925	28,626
Charge for the year	-	-	1,824	-	1,824
Disposals	-	-	-	-	-
As at March 31, 2023	57	70	19,398	10,925	30,450
Net block					
As at March 31, 2022*	-	-	10,179	-	10,179
As at March 31, 2023	-	-	8,355	-	8,355

* Refer note 1 (c)

**During the year ended March 31, 2020, considering the challenges and significant investment requirements of telecom operators which had resulted in longer opportunity conversion cycle and lower spends towards IT solutions, the management of the LLP had carried out the annual impairment exercise in respect of its intangible assets and basis valuation carried out by an external expert had made an impairment provision of ₹16,023 Lakhs towards carrying value of intangible asset. As at March 31, 2023, the management, basis external expert, has concluded that the carrying value of its intangible assets is appropriate. Also refer note 10.

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Subex Assurance LLP
Notes to statement of accounts for the year ended March 31, 2023

10 Investments

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Non - current		
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 [Impairment on investment ₹ 785 Lakhs (March 31, 2022: ₹ 785 Lakhs)]	20,658	20,658
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 Limited***	-	-
	20,691	**20,691**
B. Investment in limited liability partnership firms		
Investment in Subex Digital LLP in form of capital contribution of ₹ 10#	-	-
	-	-
Total (A+B)	**20,691**	**20,691**
Aggregate amount of unquoted investments in subsidiaries	21,476	21,476
Aggregate amount of impairment on investments	785	785
	20,691	**20,691**
Current investments		
In mutual funds (quoted)		
Axis Bank Mutual Fund	-	153
Nippon India Mutual Fund	619	557
State Bank of India	-	455
Total	**619**	**1,165**
Aggregate amount of quoted investments	617	1,165
Aggregate market value of quoted investments	619	1,165

* Refer note 1 (c)

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

*** Represents capital contribution of ₹ 8,518 as at March 31, 2023 and ₹ 8,518 as at March 31, 2022 which is presented as Nil due to rounding off.

Represents capital contribution of ₹ 10 as at March 31, 2023 and ₹ 10 as at March 31, 2022 which is presented as Nil due to rounding off.

11 Trade receivables**
(Unsecured)

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Outstanding for a period exceeding six months from the due date of receipt		
Considered good	-	1,278
Considered doubtful	13	234
	13	1,512
Less: Provision for doubtful receivables	(13)	(234)
	-	**1,278**
Outstanding for a period less than six months from the due date of receipt		
Considered good	1,318	9,841
	1,318	**9,841**
	1,318	**11,119**

** includes dues from related parties. Refer note 21.
* Refer note 1 (c)

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Subex Assurance LLP
Notes to statement of accounts for the year ended March 31, 2023

12 Cash and bank balances

	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022* (₹ in Lakhs)
Balance with bank		
In current accounts	39	298
In EEFC accounts	5	234
Term deposit	2,674	2,390
	2,718	**2,922**
Other bank balances		
Deposits with remaining maturity of less than 12 months	-	1,810
Margin money deposits**	108	153
Amount disclosed under other assets (refer note 15)	(108)	(153)
	-	**1,810**
	2,718	**4,732**

* Refer note 1 (c)
** Represents margin money deposits with banks towards the bank guarantees.

13 Loans and advances (Unsecured, considered good)

	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022* (₹ in Lakhs)
Non-current		
Security deposits	10	274
Balances with statutory/ government authorities	2	2
Prepaid expenses	-	18
	12	**294**
Current		
Loans and advances to employees	2	58
Prepaid expenses	16	365
Advance to suppliers	-	1
	18	**424**

* Refer note 1 (c)

14 Income tax assets (net)

	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022* (₹ in Lakhs)
Advance income-tax [net of provision for taxation ₹ 580 Lakhs (March 31, 2022: ₹ 580 Lakhs)]	684	1,925
	684	**1,925**

* Refer note 1 (c)

15 Other assets (Unsecured, considered good)

	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022* (₹ in Lakhs)
Current		
Unbilled revenue	-	935
Interest accrued but not due on bank deposits	24	32
Expenses incurred on behalf of customers	-	39
Forward contract	-	8
Provision for gratuity [refer note 23(b)]	4	-
Margin money deposit with remaining maturity less than 12 months (refer note 12)	108	153
	136	**1,167**

* Refer note 1 (c)

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Subex Assurance LLP
Notes to statement of accounts for the year ended March 31, 2023

16 Revenue from operations

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
Royalty income (refer note 21)	1,699	-
Sale of products	-	1,223
Sale of services	-	27,296
Support services (refer note 21)	222	326
Other operating income	-	88
	1,921	**28,933**

* Refer note 1 (c)

17 Other income

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
Interest on bank deposits	111	248
Interest on income tax refund	55	-
Income from sale of scrips	111	-
Income from mutual funds	20	21
Exchange fluctuation gain, net	122	-
Miscellaneous income	46	2
	465	**271**

* Refer note 1 (c)

18 Employee benefits expense

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
Salaries, wages and bonus	356	8,079
Contribution to provident fund and other funds	16	322
Employee share based payments (refer note 21 and note 27)	-	124
Gratuity expense/(reversal) [refer note 23(b)]	(14)	95
Staff welfare expenses	6	243
	364	**8,863**

* Refer note 1 (c)

19 Depreciation and amortization expense

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
Depreciation of property, plant and equipment (refer note 8)	6	344
Amortization of intangible assets (refer note 9)	1,824	1,824
	1,830	**2,168**

* Refer note 1 (c)

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Notes to statement of accounts for the year ended March 31, 2023

20 Other expenses

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
Cost of hardware, software and support charges	-	139
Sub-contract charges	-	159
Rent [refer note 22(a)]	13	660
Power and fuel	7	91
Repairs and maintenance		
- Building	3	68
- Others	-	500
Insurance	-	79
Communication costs	-	61
Printing and stationery	-	14
Travelling and conveyance	29	170
Rates and taxes	-	172
Advertisement and business promotion	-	72
Consultancy charges	14	335
Payments to auditors [refer note 20(a)]	16	51
Marketing and support charges (refer note 21)	169	13,483
Sales commission	-	52
Provision for doubtful debts (net of reversal)	13	(79)
Exchange fluctuation loss, net	-	47
Bank charges	12	18
Miscellaneous expenses	-	7
	276	**16,099**

* Refer note 1 (c)

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

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
As auditor		
Audit fee	12	44
Tax audit fee	-	1
In other capacity		
Other services (certification services)	4	4
Reimbursement of expenses	-	2
	16	**51**

* Refer note 1 (c)

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Subex Assurance LLP
Notes to statement of accounts for the year ended March 31, 2023

21 Related party transactions

(i) Names of related parties and related party relationship

Partners
Subex Limited (Parent Company)
Subex Digital LLP
Wholly Owned Subsidiaries
Subex (UK) Limited
Subex Middle East (FZE)
Subex (Asia Pacific) Pte. Limited
Subex Inc.
Subex Bangladesh Private Limited
Fellow Subsidiaries
Subex Americas Inc.
Subex Technologies Limited
Subex Digital LLP
Subex Account Aggregator Services Private Limited
Designated Partner

Vinod Kumar Padmanabhan	Designated Partner (Till August 8, 2023)
Shiva Shankar Naga Roddam	Designated Partner (w.e.f December 11, 2021)
Venkatraman G S	Designated Partner (upto December 10, 2021)

(ii) Details of the transactions with the related parties are as follows

(₹ in Lakhs)

	Year ended March 31,2023	Year ended March 31,2022*
A. Transactions with wholly owned subsidiaries and fellow subsidiaries		
Royalty income		
Subex Limited	1,699	-
	1,699	**-**
Income from sale of service and support services:		
Subex (UK) Limited	-	12,084
Subex Inc.	-	3,843
Subex (Asia Pacific) Pte. Limited	-	2,254
Subex Americas Inc.	-	727
Subex Middle East (FZE)	-	1,722
Subex Bangladesh Private Limited	-	765
Subex Limited	219	251
Subex Digital LLP	3	75
	222	**21,721**
Marketing and support charges:		
Subex (UK) Limited	-	4,459
Subex Limited	165	4,090
Subex Inc.	-	3,762
Subex (Asia Pacific) Pte. Limited	-	375
Subex Americas Inc.	-	334
Subex Middle East (FZE)	-	(53)
Subex Bangladesh Private Limited	-	45
Subex Digital LLP	4	471
	169	**13,483**
Employee share based payments (cross charge) from :		
Subex Limited	-	124
	-	**124**
Reimbursement of expenses incurred by the entity on behalf of its Parent Company/subsidiaries:		
Subex (UK) Limited	2	37
Subex (Asia Pacific) Pte. Limited	15	3
Subex Middle East (FZE)	-	12
Subex Limited	85	76
Subex Digital LLP	3	27
Subex Americas Inc.	-	15
Subex Inc.	-	103
Subex Bangladesh Private Limited	-	62
	105	**335**

* Refer note 1 (c)

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Subex Assurance LLP
Notes to statement of accounts for the year ended March 31, 2023

(₹ in Lakhs)

	Year ended March 31,2023	Year ended March 31,2022*
Reimbursement of expenses incurred by the parent/ subsidiaries on behalf of the entity:		
Subex (UK) Limited	-	163
Subex (Asia Pacific) Pte. Limited	-	65
Subex Middle East (FZE)	-	124
Subex Limited	46	180
Subex Americas Inc.	-	11
Subex Bangladesh Private Limited	-	23
Subex Inc.	-	2
Subex Digital LLP	1	4
	47	**572**
Net liabilities transferred to:		
Subex Limited	-	67
	-	**67**
Loan and advances repaid/ (given) during the year, net:		
Subex Digital LLP	-	4,400
	-	**4,400**
Share of profit/(loss), transferred to current account of:		
Subex Limited	(806)	1,353
	(806)	**1,353**
Drawings by Subex Limited, the Parent Company:		
Partner's current account	-	4,274
Partner's capital account	9,200	4,800
	9,200	**9,074**

* Refer note 1 (c)

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

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022*
Trade receivables		
Subex Americas Inc.	-	389
Subex (Asia Pacific) Pte. Limited	-	664
Subex Digital LLP	2	267
Subex Inc.	-	3,039
Subex Limited	1,311	431
Subex Middle East (FZE)	-	2,175
Subex (UK) Limited	-	1,563
Subex Bangladesh Private Limited	-	784
	1,313	**9,312**
Trade payables		
Subex Americas Inc.	-	1,357
Subex (Asia Pacific) Pte. Limited	-	65
Subex Digital LLP	2	35
Subex Inc.	-	442
Subex Limited	79	3,062
Subex Middle East (FZE)	-	18
Subex (UK) Limited	3	1,468
Subex Bangladesh Private Limited	-	63
	84	**6,510**
Investment in Limited Liability Partnership**		
Subex Digital LLP [capital contribution of ₹ 10 (March 31, 2022: ₹ 10)]	-	-
	-	-
Investment in equity shares		
Subex (UK) Ltd [net of impairment on investment ₹ 785 Lakhs (March 31, 2022: ₹ 785 Lakhs)]	20,658	20,658
Subex Middle East (FZE), UAE	33	33
Subex Bangladesh Private Ltd [Investment of ₹ 8,518 (March 31, 2022: ₹ 8,518)]	-	-
	20,691	**20,691**

(iv) Transaction with designated partner:

(₹ in Lakhs)

Salaries and perquisites	Year ended March 31, 2023	Year ended March 31, 2022*
Vinod Kumar Padmanabhan	-	147
Shiva Shankar Naga Roddam	-	83
	-	**230**

Refer note 3 for Partner's capital and current account balances pertaining to Subex Limited.

* Refer note 1 (c)

** Represents capital contribution of ₹ 10 as at March 31, 2023 and March 31, 2022 which is presented as Nil due to rounding off.

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22 Commitments and contingent liabilities

a) Commitments

Capital commitments

There are no outstanding capital commitments as at March 31, 2023 and March 31, 2022.

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 ₹ 13 Lakhs (March 31, 2022: ₹660 Lakhs).

b) Contingent liabilities

i) The LLP has furnished bank guarantees to customers amounting to ₹ 141 Lakhs (March 31, 2022: ₹ 201 Lakhs).

ii) The LLP had received an assessment order in respect of the financial year 2017-18 wherein certain allowances claimed by the LLP were disallowed, amounting to Rs. 2,454 Lakhs, in respect of amortisation of goodwill and others. However, the allowances claimed in respect of other intangibles arising on account of transfer of RMS business, from the Parent Company to the LLP, has been allowed. Further, there is no demand as the LLP had incurred losses during the financial year 2017-18. These disallowances are disputed by the management and the LLP has filed appeal against this order with Commissioner of Income Tax (Appeals). Also refer note 4.

23 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 ₹16 Lakhs (March 31, 2022: ₹322 Lakhs) for Provident Fund contributions, including administration charges, 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.

(₹ in Lakhs)

		Year ended March 31, 2023	Year ended March 31, 2022*
I	**Components of employee benefits expense**		
	Current service cost	3	66
	Interest cost	4	21
	Expected return on plan assets	(4)	(19)
	Actuarial loss/ (gain)	(17)	27
	Total expense/(reversal) recognized in the statement of income and expenditure	**(14)**	**95**

* Refer note 1 (c)

(₹ in Lakhs)

		As at March 31, 2023	As at March 31, 2022*
II	**Net asset/ (liability) recognized in statement of assets and liabilities**		
	Present value of defined benefit obligation	(27)	(376)
	Fair value of plan assets	1	320
	Net liability recognized in statement of assets and liabilities	**(26)**	**(56)**

* Refer note 1 (c)

(₹ in Lakhs)

		As at March 31, 2023	As at March 31, 2022*
III	**Change in defined benefit obligations during the year**		
	Obligations at beginning of the year	376	337
	Liability transfer (refer note 27)	(323)	(27)
	Current service cost	3	66
	Interest cost	4	21
	Actuarial loss/(gain)	(17)	29
	Benefits paid	(16)	(50)
	Present value of defined benefit obligation at the end of the year	**27**	**376**

* Refer note 1 (c)

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Notes to statement of accounts for the year ended March 31, 2023

		As at March 31, 2023	As at March 31, 2022*
			(₹ in Lakhs)
IV	**Change in fair value of assets during the year**		
	Plan assets at the beginning of the year	320	299
	Assets transafer in/ (out)	(277)	-
	Expected return on plan assets (estimated)	3	19
	Actuarial gain	1	2
	Actual contributions	-	50
	Benefits paid	(16)	(50)
	Plan assets at the end of the year	**31**	**320**
V	**Actual return on plan assets**	-	21
VI	**Expected contribution in the next year**	4	56
VII	**Major categories of plan assets as a percentage of the fair value of total assets are:**		
	Investments with insurer	0%	100%

VIII	**Actuarial assumptions**	**Year ended March 31, 2023**	**Year ended March 31, 2022***
	Discount rate (p.a.)	7.36%	6.63%
	Expected return on plan assets (p.a.)	6.63%	6.25%
	Salary escalation (p.a.)	7.00%	7.00%
	Attrition rate (p.a.)	18.00%	18.00%

* Refer note 1 (c)

(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, 2022: 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, 2022: Indian Assured Lives Mortality (2012-14)].

IX Experience history

(₹ in Lakhs)

Particulars	March 31,2023	March 31,2022*	March 31,2021	March 31,2020	March 31,2019
Present value of obligation at the end of the period	27	376	337	480	493
Fair value of plan assets at the end of the period	31	320	299	244	230
(Deficit)/surplus	4	(56)	(38)	(236)	(263)
Actuarial loss/(gain) in defined benefit obligation	(17)	29	19	(6)	21
Actuarial gain/(loss) for the year - Plan Assets	1	2	2	1	1

* Refer note 1 (c)

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24 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, 2023 is as follows:

March 31, 2023 (₹ in Lakhs)

Particulars	Denominated currency			Total
	USD	AED	Others	
Receivables				
Trade receivables	1,230	-	-	**1,230**
Cash and bank balances	5	-	-	**5**
Total (A)	**1,235**	**-**	**-**	**1,235**
Payables				
Trade payables	65	-	-	**65**
Total (B)	**65**	**-**	**-**	**65**
Net Unhedged Foreign Currency Exposure (C = A-B)	**1,170**	**-**	**-**	**1,170**

March 31, 2022* (₹ in Lakhs)

Particulars	Denominated currency			Total
	USD	AED	Others	
Receivables				
Trade receivables	5,647	2,200	1,333	**9,180**
Cash and bank balances	234	-	-	**234**
Other current assets	659	23	243	**925**
Total (A)	**6,540**	**2,223**	**1,576**	**10,339**
Payables				
Trade payables	6,543	19	83	**6,645**
Other current liabilities	23	-	98	**121**
Total (B)	**6,566**	**19**	**181**	**6,766**
Net Unhedged Foreign Currency Exposure (C = A-B)	**(26)**	**2,204**	**1,395**	**3,573**

* Refer note 1 (c)

25 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. Pursuant to note 1(c) there are no identifiable reportable segment for the current year.

Segment revenue by geographical location are as follows: ^

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022*
Americas	-	4,671
EMEA	-	19,310
India	-	846
APAC	-	4,106
	-	**28,933**

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

* Refer note 1 (c)

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Notes to statement of accounts for the year ended March 31, 2023

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, 2023	**As at March 31, 2022***
Americas	-	3,651
EMEA	-	6,148
India	-	3,265
APAC	-	1,848
Unallocatable	-	37,482
	-	**52,394**

* Refer note 1 (c)
Property, plant and equipment acquired during the previous year pertains to India Geography.

26 Provision - foreign withholding taxes, represents provision in respect of withholding taxes deducted/ deductible by the overseas customers of the LLP and excess non-claimable foreign tax credit.

27 **Employee stock options plan ('ESOP'):**
During the year 2018-19, the Parent Company pursuant to resolutions passed by it's Board and it's 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 Company under the ESOP Scheme 2018. Each option granted under the ESOP Scheme 2018, entitled the holder thereof with an option to apply for and be issued one equity share of the Parent Company 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 3 years from the date of grant. The options granted were 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, 2023, the Parent Company has granted Nil options (March 31, 2022: 1,448,000 options) to certain key employees of the LLP. Employee Stock Option Cost of ₹ Nil Lakhs representing (March 31, 2022: ₹ 124 lakhs) cross charge has been recorded under Employee benefits expense.

28 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, 2023 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.

29 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

Rajeev Kumar

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: August 08, 2023

For and on behalf of Subex Assurance LLP

Vinod Kumar Padmanabhan
Designated partner
DPIN: 06563872

Place: Bengaluru
Date: August 08, 2023

Shiva Shankar Naga Roddam
Designated partner
DPIN: 07212118

Place: Bengaluru
Date: August 08, 2023

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S. R. Batliboi & Associates LLP ★ Bengaluru