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August 12, 2024

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**NSE Symbol: SUBEXLTD**

Dear Sir/Madam,

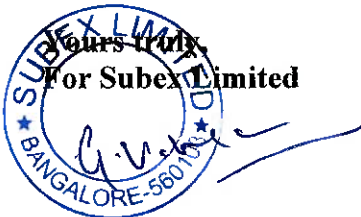
**Sub: Transcript of Earnings Call held on August 7, 2024, for the quarter ended June 30, 2024**

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Transcript of the Earnings Call of the Company for the quarter ended June 30, 2024.

The same is also available on the website of the Company at <https://www.subex.com/investors/announcement-filing/#investor-analyst-call>.

Kindly take the same on record.

Thanking you



**G V Krishnakanth**  
**Company Secretary & Compliance Officer**

**Encl.: As above**

**Subex Limited**

CIN - L85110KA1994PLC016663

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Subex Limited

Q1 FY2025 Earnings Conference Call

**Event Date / Time** : August 07, 2024, 11.00 AM (IST)

**MANAGEMENT:** **MS. NISHA DUTT – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER**  
**MR. SUMIT KUMAR – CHIEF FINANCIAL OFFICER**  
**MR. GV KRISHNAKANTH - COMPANY SECRETARY & COMPLIANCE OFFICER**

## **Moderator**

Ladies and gentlemen, good day, and welcome to Q1 FY25 Earnings Conference Call of Subex Limited. As a reminder, all participant lines will be in the listen only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing \* and then 0 on your touchtone phone. Please note that this conference is being recorded. I would now like to hand over the conference over to Mr. G.V. Krishnakanth. Thank you, and over to you sir.

## **G.V. Krishnakanth**

Thank you very much. Good morning to everyone who have joined this earnings call for the quarter ended June 30, 2024. Now I would like to introduce the members of the management who are present for this call. Along with me, I have Ms. Nisha Dutt, Managing Director and CEO and Mr. Sumit Kumar, Chief Financial Officer of the company. I would like to start the conference call by going through the sales harbour clause. Certain statements in this call concerning our future growth prospects are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include, but not limited to, fluctuations in earnings, our ability to successfully integrate acquisition, competition in our area of businesses, client concentration, liability for damages in our contracts, withdrawal of tax incentives, political instability, unauthorized use of our intellectual property and general economic conditions that is seeing in our industry. So with this, I now hand out the call to Ms. Nisha Dutt to take it forward. Over to you madam.

## **Nisha Dutt**

Thank you. Good morning, everyone, and welcome to Subex's investor call. By now, you must have seen the results, and I've received some messages as well and I wanted to assure that while our Q1 looks muted compared to the last quarter, the good news is that our Telco business is actually showing corresponding quarter growth. And since we are going to double down on Telco's, I still feel that we are on the right trajectory to create long term value for all our stakeholders. So you've heard me say this and I will repeat it again today that we are on a multiyear transformation journey and transformations, by the very nature, are sometimes long drawn and have their ups and downs. But I'm very sure that we are taking the right bets on the business.

Again, our business, it's for those of you who have been with us for a while, you will know our business has always been H2 heavy. So we hope to catch up during the year. Another aspect that I'm focused on is ensuring the right capital allocation as a part of this transformation, and I will cover a little bit of that later in the call. So coming to my anchor points for the transformation, growth, efficiency and talent. In terms of growth, in Q1, we won a few logos. We won a new logo in Europe. This is significant from a growth perspective that since this is a Tier-1 group account. So this not only has a fraud management component,

but we will also be delivering a few AI use cases as well. This also continues to reinforce our position as a leader in business insurance and fraud management space.

As I have mentioned before, we continue to invest in our AI portfolio with specific focus on Gen AI use cases for Telcos. We have been actively contributing to and influencing TM forum standards, particularly in the BAFM domain. We recently released our TMS 696 API in partnership with Google providing fraud risk scores as an API. We also released TMS 770 APIs around exposing fraud management scores to other industries in partnership with operators like Orange, Verizon, Safaricom, Econet, et cetera.

This foundation has kind of, you know, we -- this is we set this foundation in DTW, and we also showcased our proprietary LLMs based agents, AI agents that we have started calling Subex AI Squad. And we launched this in MWC in Barcelona as well a few months ago, if some of you remember this. Again, you must think that what is all this amounting up to, but I would be happy to share that this work has now been recognized and it has resulted in us now being featured in Gartner's Magic Quadrant for AI in CSP Customer and Business Operations Report. So we think that one of the being recognized as one of the key players validates our relentless focus on developing this AI based solutions. This is a significant milestone in our journey, and I'm very committed to solidifying our market position further.

So this is something that we will continue to focus on, and I've also said it in AGM earlier, you know, this week that I think that AI is becoming more and more real actually, and we are starting to see a lot of breach shoots. So for us to -- so we will continue to double down and we'll continue to push on this. Now if I to -- now to switch gear to the second aspect of the update that I usually do on efficiency. So in addition to top line growth, we are definitely focused on making cost investments in the right place and turning EBITDA positive.

So as I mentioned earlier about the capital allocation decision, you must have -- some of you must have already caught it. But after the quarter ended June 30, 2024, Subex Digital LLP, with the approval of the Board of Directors of Subex Limited, sold IDcentral to Handy Online Solutions Private Limited, which is also known as Ongrid, at a valuation of, 526 lakhs via slump sale, effective 15th July 2024. The transaction involves payment of a consideration of 526 lakhs by Ongrid by the allotment of 104 equity shares of Ongrid. So this represents 0.75% of Ongrid's fully diluted share capital. This is a question that I've repeatedly received, so I wanted to clarify that. Also, I would like to additionally clarify that none of Subex's management top management has any interest or holding in Ongrid. So I wanted to straightaway clarify this.

I think this move remarks this is actually a significant move for us in the journey of innovation because I'm actually very proud that they incubated IDcentral and now we have founded a better home. I think that ID central will now focus in an environment, which is completely going to complement its strength. We also believe that this is going to be really beneficial for the shareholders in longer term because we will continue to be invested in this space of because I do believe that digital identity space is actually a very good one to be to remain invested in. But we are invested in it today via superior asset actually. So this should actually be good for all of us.

We have also in terms of efficiency; again, we have also launched code co pilots for our internal AI and engineering teams. So, what this will do is this will bring a lot of productivity into our engineering process. So, this is another initiative that we have taken internally. And in terms of talent, I've always said that retaining and nurturing key talent remains a focal point for us. So I'm happy to share that our current attrition rate is on par with industry standards. And if you compare it to last year, it's actually significantly lower. So I see it as a positive sentiment from employees since for us in the domain that we work in, it's a high it's technical domain. So for us, it's very important to retain domain knowledge.

I'm also pleased to share that we have concluded the annual increment cycle for the year. So, we are done with all that. So turning to the business updates. Those are the business updates. Now I'll just quickly cover the financial results for the quarter that ended on June 30, 2024. So revenue for the quarter stood at INR 68.2 crores as against INR 83.8 crores for the quarter that ended on March 31, 2024. EBITDA for the quarter is minus INR 6 crores as against INR 3.1 crores for the quarter that ended on March 31, 2024.

PAT for the quarter is at minus INR 11.2 crores as against minus INR 156 crores for the quarter that ended on March 31, 2024. And if I compare this to the -- I'll also walk you through the quarter ended. I'll also do the corresponding quarter comparison. So if I do the quarter corresponding quarter comparison, so revenue for the quarter that ended on June 30, 2024, is at INR 68.2, against the corresponding quarter last year, which was INR 67.3 crores. So it's broadly in the same range.

EBITDA for the current quarter is at minus INR 6 crores as against minus INR 14.7 crores for the previous year, for the quarter that ended on June 30. And PAT for this quarter is at minus INR 11.2 crores against INR 19.3 crores last year. So these are broadly the financial results. Again, I thank you very much for joining the call today, and thank you for your constant support. I'm happy to take your questions and comments now.

### **Moderator**

Thank you, ma'am. Ladies and gentlemen, we will now begin the question and answer session. If you have a question please press \* and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request you may do so by pressing \* and 1 again. First question comes from Gokul, an Individual Investor. Please go ahead.

### **Gokul P**

Good morning madam. So I just had a question regarding the monthly recurring revenue. We started to report it, 2 years back, during that time Mr. Vinod was heading in. And we have sort of remained flat on that front. So are you still trying to convert into recurring revenues or you are looking for long-term contracts? So how is the thought process on that?

### **Nisha Dutt**

No. Since I mean, thank you for the question. So we will-- so our business model itself is dependent on recurring revenue now because we are on license plus subscription mode, right? So recurring revenues is

something we do track internally. I think we were also reporting it. If we haven't reported it, we will start doing that again. But recurring revenue is something that's a part of our business model right now. So our - if I were to kind of break it down, our business model has 3 broad components. It has license, then it has some implementation fee, which is usually professional services, and then there's subscription. So those are the 3 components. And once the implementation of the project is done, then the recurring revenue start kicking in, in terms of subscription. So that remains a core part of our business model.

### **Gokul P**

So like for the past few years, it has been remained flat. So is it -- does it mean that it's going to pick up? It will take a few years to pick up because there has been like Mr. Vinod actually mentioned that in one year's time in FY24, it was supposed to happen. And then we also haven't like you haven't mentioned anything during our past call regarding the recurring revenue. So could you maybe explain a bit on when we can see some improvement on that trend and how much time it would take like a year or 2 years? How much time you would need to see some improvement on that trend?

### **Sumit Kumar**

Sumit here, so our current revenue itself includes the recurring revenue, okay? The only thing is what we used to report the recurring or MRR number, which there was, per say the number is, there was no growth per se given as Nisha just explained. It is first we have to complete the project and then the recurring revenue starts kicking it up. So that's what like last two quarters, it is just scoring around the same \$2.4 million as a monthly MRR and all that. And that's what we start. We actually not reported this time because the number was more or less there. Having said that, as Nisha has just mentioned, the focus is to break this back and once this project closure happens then this MRR will start. So this is what it is eventually and we are working towards to improve the monthly recurring revenue here.

### **Nisha Dutt**

And it shouldn't take few years. It will happen in few quarters actually. Looking to now, we are in almost end stage of quite a few projects where we'll start closing the projects and this MRR should start taking.

### **Gokul P**

Okay. And second question is, so when we got the aggregator license, it was mentioned during one of our con calls that it would be deployed for the identity business, mostly. Now since we are selling the IDcentral, we wouldn't -- is it correct understanding that we wouldn't be needing the aggregator license anymore? Or will it find use case in some other divisions?

### **Nisha Dutt**

No. Actually, your understanding is correct. With the sale of IDcentral business, the underlying asset is not there anymore. So because we wanted to we applied for that license to use in that business. Now that the business itself has been divested, we will be initiating we'll be taking steps to return that license. By the

way we did not get the license it was an in-principal approval, just to clarify. It was an in-principal approval. We didn't actually -- we don't have a license. We had to do some prep work for 1 year before we will be granted the license. So, we had the in-principal approval. Now we'll go back to RBI and take steps to return it.

**Gokul P**

Okay. Okay. And finally, the final question from my side. Madam, when do you think we could touch around INR 100 crores of revenue on a quarterly basis up? Like how many quarters would it take in just a broad sense, if you can give-

**Nisha Dutt**

Actually, Gokul, this is, you took words out of my mouth. This is not just your target. This is been my target actually. And if you ask anybody in the management, they will tell you that this is the explicit target that I have, that I want to hit at INR 100 crores quarter. This is something that I've been reemphasizing again and again. And I'm really, really pushing in that direction, and I'm hoping that it happens in a few quarters. Honestly, this has been I mean; this is not just your question. In fact, this is a question that I'll post to the management that we need to do this. I need to see INR 100 crore quarter. So absolutely.

**Gokul P**

Thank you for the clarification, that's all from my side.

**Moderator**

Thank you. Next question comes from Nish M, an Individual Investor. Please go ahead.

**Nish M**

Good morning everybody, good morning Nisha.

**Nisha Dutt**

Good morning.

**Nish M**

Basically, there are 8 quarters of losses for Subex's, quarterly losses, 4 from Vinod and 3 from you. Is the management incapable to give us the estimates of profitability? Because every quarter we are sweet talking. Yes, we are doing this, we are doing this, we are doing this, we are doing this, but no estimate. Being a senior management, being a CEO, you should be able to give us the estimates. Where are the estimates?

When we are going to go in positive profit. If you can't increase the revenue, decrease expenses. It's simple as that. Can you please answer that?

**Nisha Dutt**

No. I mean your question is valid. See, first of all, if you look at our cost right now, you will see that our costs have actually reduced from last year. If you really-

**Nish M**

Yeah. I can see that in this present quarter. Absolutely.

**Nisha Dutt**

Yeah. Yeah. So we are -- so that is an effort. That's an ongoing effort for us. So every time we think that the revenue is not ticking in a manner, see, what happens is that we are expecting a certain revenue number to happen, right? And if that revenue number is something that we don't see manifest in the quarter, we start taking action on the cost side. So that's an optimization that we do throughout the year every quarter. You will see that, but there is a decrease actually. And my focus is really now to take Telco core back on track right now. So for me, while your point is valid on the cost side, I feel that there is only so much that you can do on cost. Beyond a point, it becomes cost of doing business. So for us, revenue kicking in is becoming so much more important.

For me, the top line must really kick in because beyond a point, you cannot touch cost. What will you do? And also cost is something that you don't get immediate benefits from. So anything that you do, you'll only realize it after a quarter. The benefits only start taking in after a few quarters. Or you know exit cost is-- you will actually see exit cost down 3, 4 quarters. And immediate exit benefits, we only see after a quarter or so, right? So I think it is only a certain amount that we can do on cost side, and we have been constantly doing that. On the cost, you will see it. It's been reduced. We do optimization, but I think for us, the truth is that I think the revenues haven't hit the way they should have. So my-

**Nish M**

What is stopping to get the revenues? What is stopping actually, Nisha, to get the revenues, to get the numbers?

**Nisha Dutt**

It's not stopping, what happened this I will tell you it. Sometimes, you know, I'm so I would say that see, did I lose a deal? Actually, I did not lose any deal. So what's happening is that sometimes revenue gets shifted because you don't have control of the deals. Right? I mean, it becomes a little unpredictable. So what happens is that the deal that I'm expecting to close, let's say, this quarter gets moved even by 15 days. For me, the quarter has moved. I've not lost it, but it has moved, shifted. So what's happening is that quite



a few deals are shifting actually. So I can, you know, tell you that we haven't lost anything actually out of the box. So I can't tell you that now we are losing business left, right and center. That's not true actually. But what is happening though-

**Nish M**

But you are not able to give us the estimates when we are going to be becoming positive. That is the most important thing. Shareholders have been getting negative returns.

**Nisha Dutt**

I agree. And then see, Q3, we did turn EBITDA positive. Of course, EBITDA doesn't come flat, right? So EBITDA, we did turn positive in Q3. We did, we were positive in Q4. Again, we have seen a dip here. The positive I'm focused on taking the EBITDA back to positive, and that was the focus last year. That's why we got to EBITDA positivity in Q3 actually. So that has remained the focus. So can I give you some forward looking statements which I can't right.

**Nish M**

Did you say one thing right now to being back on track Telco is it not on track? That is what you are saying.

**Nisha Dutt**

No, no -- , when I say Telco back on track, what I mean is that the whole organization's focus has to be back on that, because for instance, that's one of the reasons why we divested out of IDC. Right? It was focused on a sector that is not core to me today. And I feel that, you know, that's not I don't want any energy being diverted into a direction which is not core to me. So that's why we divested that asset and we said that let it be with people who are actually focused on Fintech. I'm not focused on BFSI as a sector today. So why should I have an asset sitting which is not focused on BFSI? So that was one of the decisions. That's why we started making the divestment decision out of that.

So what I meant by bringing the focus back is to make sure that we have no distractions actually in the company. And everyone knows that there is only one focus, and that is all we will do this year and for the next couple of years for sure. So that's what I meant. It's not to say that we are off track, but it is to definitely say that we are trying to remove the distractions are out.

**Nish M**

So as you have seen, this quarter will be the positive? When the quarter will become positive for us, for the shareholders? Which quarter will become? The next quarter do you think will become positive?

**Nisha Dutt**

I wish I could tell you, but you know, I've been forbidden from giving you any forward looking statement. But I can assure you that-

**Nish M**

To be honest Nisha, don't take me rudely because -- don't take me rudely, but this is incapability of management. To be honest with you, it is incapability of management to give us their estimates. That is the most important thing. Don't take me rudely. I'm just invested because I'm putting my money. It's more than 500,000 shares in Subex for me. And I'm not happy with the performance of the 8 quarters. I had the patience till 6 to 4 quarters of Vinod, I had a very good amount of patience, 3 quarters of yours. how much, because you are a new CEO, I just gave you the time of 3 quarters. But this is.. its two years.

**Nisha Dutt**

Actually, we did some positive in Q3. Actually we did positive. I mean, I took over in Q1. We were positive in every time we get-

**Nish M**

No, when you say positive, I want the net profit to be positive, not the accounting tricks to be making positive. Net profit should be positive.

**Nisha Dutt**

No accounting tricks. No. No. I wouldn't accept that. I'll let a comment, please. No. There is no accounting trick here. So why would we do-

**Nish M**

No. No. Because there are -- no, no, not tricks. I mean to say the accounting, you know, the we put something else like, exceptional things and non-exceptional items and all those things. I don't want. I want a clear net profit, which we are not getting since 7 quarters. So this is very it shows and you are not able to give us the estimates as well. So which is the incapability of the management according to me.

**Nisha Dutt**

I have an estimate, but I can't tell you that estimate. That's my issue, though. Because this is considered price sensitive, and you would know. This is considered price sensitive information. These things are recorded.

**Nish M**

No. It is not. No, madam, first of all, Nisha, it's not a price sensitive. Estimates means when you will become positive in quarter, which quarter it will be? For example, TCS gives their estimates, Infosys gives their estimates. If Wipro gives the estimates, why can't you give the estimates? If there is any problem, let us let shareholders know. I don't want you to put that in public. Even if you are getting a new contact list and-

**Nisha Dutt**

I have also given an estimate of the growth. Right? Last quarter, I did. So I have given growth estimates. In last quarter, I did mention what is the percentages and all that we are looking to grow. So I think I have given growth estimates. It's not that I've never given any estimates. It's just that on EBITDA I am unwilling to comment right now.

**Nish M**

And I have one request. Okay. I understand that part, okay. I take it that thing. But second part -- second question is that can you send us the email to the shareholders regarding new sales and figures, if that is possible? Because you had 3 things, 3 news, which I was monitoring, like 3 acquisitions or 3 Telco, 3 new contracts which you reported to Bombay Stock Exchange or National Stock Exchange. We want the details of those contracts. If you can give it to the shareholders, I'm not asking you to give it to the public. Shareholders or you can give it to the shareholders who are holding more than 500,000 shares or 600,000 shares. Or according to me, even one person holding 1 share is also should get all the information about the company.

**Nisha Dutt**

We do give, in that disclosure generally, contract amount is mentioned. It's mentioned.

**Nish M**

No Contact -- it's very, very vague information which you give to the Stock Exchange because there are certain things which are not, informed even to the Stock Exchange, which I can understand which is business sensitive. But you can give it to shareholders. That is what I'm saying.

**G V Krishnakanth**

Like to intervene -- like to intervene, we always give that amount of contract or number of periods, which is mandated. There is an annexure, which always go with such kind of disclosure. We give that kind of disclosures whenever we get a deal. There is a format, which Stock Exchange keeps asking. You have to fill when there is a deal. If you see our latest IDC also, there is an annexure, which we have to add. Maybe in the next pages, there is an annexure, which we give the details of the deal. Or else we definitely said, this is up to for this amount for a period of x-x-x years.

**Nisha Dutt**

We always gave that. We always gave that. Please go and check. And if for whatever reason you don't see it, we are happy to provide it separately to you. But we, as a general, you know, governance, we do it. We give that information. What you're asking for has been given. And everything-

**Nish M**

Can you send a separate email to shareholders if it is-- email, not a paper to the shareholders that this is the company, which we have gone through. So we are also satisfied that it is on the right track, which you said right now. It is the company is on growth trajectory. So if you can send the email to the shareholders that would be very good, if it is possible.

**G V Krishnakanth**

We'll look into that.

**Nisha Dutt**

Yes, of course. Yes. Because we have been disclosing actually. This is not confidential information. We do disclose.

**Nish M**

But the name is never disclosed in the Stock Exchange when you send the report to the Stock Exchange.

**G V Krishnakanth**

Which disclosures, may I know?

**Nish M**

I there are last 3 disclosures. No. Not on Grid 1, the previous 2. Check there is no name. You just said Southwest Telco, on this Telco, yes. Because that is why I said, "Yes", because that is why I said.

**Nisha Dutt**

No name of the Telco is the matter of consent-

**Sumit Kumar**

The consent.

**Nisha Dutt**

It's a matter of consent. That's why we are not able to disclose because it's a matter of consent.

**Nish M**

So when you finish the deal, you can tell it to the shareholders.

**Nisha Dutt**

No. It's a matter of consent between us and Telco. There are Telcos who are okay with their name being disclosed. There are Telcos who tell us that you can make a no name announcement. As in you can say that I'm a European, you know, carrier, but please do not disclose my name. So it's a matter of consent between Telco and us. I cannot disclose something that the other party has not consented. So, I can-

**Nish M**

Nisha, I totally agree with you. I totally agree with you. Don't disclose it to Bombay Stock Exchange, but shareholders have the total right to get that information. Right?

**Nisha Dutt**

No. Matter of consent is matter of consent is equally applicable to everyone. But see, it's what is material to you? Material is the contract value, which is given. Right? I mean, I don't see that-

**Nish M**

Contract value, okay. A contract value as well is important. And then the name of the client, who is the new client, who, if it is existing client or if it is a new client, we should know if it is existing.

**Nisha Dutt**

Okay. No. I see your point, but I would also like to emphasize that, please understand our constraint. It's a-

**Nish M**

I understand. I understand you.

**Nisha Dutt**

Material information is given, which is the value of the contract. The name of the client, however, is a matter of consent. I disclose it, the moment we have consent, we are actually, we are proud to disclose it, if I can disclose. For where it is we are not allowed, I cannot disclose it. Whether it is, you know, a one-on-

one conversation or whether it's a, you know, public disclosure, consent is required. So if I don't have the consent, then I cannot do it. But we always disclose the value of the contract.

**Nish M**

Value is fine. Value, I have seen to in both the material.

**Nisha Dutt**

Value is material, right? So that is the material info.

**Nish M**

Yeah. Definitely. Even the client is important. Why not? Even if we know that whether it is existing one or whether we are getting the new ones or what in the new ones we are getting it. So at least we will understand that, right? If you can give-

**Nisha Dutt**

That is why we are telling you that it's a Teir 1 operating in Europe et cetera, et cetera. We try to give as much color as we can without disclosing the name. But like I said, we are bound by NDAs sometimes, so we can't. But again, I would request everyone who asked this question; all the shareholders also have it. There is Annexure A that goes with every disclosure. So please go read that. It has as much information as we are allowed to give about the deal, we give it there. Values are definitely mentioned. The contract value is there. It's clearly mentioned.

**Nish M**

Fair enough, No problem, Thank you.. Thanks.

**Nisha Dutt**

Thank you.

**Moderator**

Thank you. I request the participants to restrict with 2 questions in the initial round and join back the queue for more questions. Next question comes from Akash Shah, an Individual Investor. Please go ahead.

**Akash Shah**

My question would be, that there was news for Jio partnership with Subex. So what is the update for that? When are we generating revenues or is there any venture or it's not there now anymore?

**Nisha Dutt**

No, no. So we do have a partnership with Jio, and we continue to get the AMC from them. So I think it continues to be there. If that's your question, yes, we continue-- they use our system and we continue to get AMC from them.

**Akash Shah**

So where is the revenue? Do you generate any revenue from that?

**Nisha Dutt**

Yeah. Yeah. AMC's revenue. Sorry. It's recognized as revenue. No. These are annual maintenance contracts. They do, you know-

**Akash Shah**

What is the revenue you generate from that?

**Nisha Dutt**

Sorry. I don't have the number handy. I apologize, but we can send it to you.

**Akash Shah**

Is it material revenue, or it is just a nominal amount?

**Nisha Dutt**

It's a nominal. It's not material. I think a Jio platform is the one that we had disclosed. Right?

**Akash Shah**

Yes. And what is the like, when are we expecting that to go positive approximately?

**Nisha Dutt**

No. No. That, so they, so just to give you some context here, Jio did buy our system. They continue to use actually, and they are paying us the maintenance fee for that. So, they continue to pay us. I mean, that's, that's net what it is. So it is positive only. Right? I mean, there's nothing negative here.

**Akash Shah**

No. No. No. When do you expect the results start to go positive?

**Nisha Dutt**

The EBITDA, you mean. So that we No.

**Akash Shah**

Speaker Not EBITDA. That PAT.

**Nisha Dutt**

PAT positive. Like I was just telling the, you know, previous, speaker, this is not a, this is not a statement or this is not a forward-looking statement that I can make at this point. But rest assured, I understand the sensitivity. Management is completely aware of why growth and why do we need to be positive. I think the sensitivity is there. Everyone is definitely working very hard towards getting that. Our costs have been controlled, if you can see it. Costs have been controlled. We'll go back and see how we can boost our top line to make sure that the benefits start flowing to the bottom line right now. So and we will continue to optimize cost. So that's my commitment. Beyond that, I'm not going to comment on a specific quarter.

**Akash Shah**

Where do we see the revenue in coming quarter? Because if we compare with the last quarter, that the Q4, the revenue declined a lot 83 to 68.

**Nisha Dutt**

No. You're right. That's also because, like I was saying earlier, our business is a little bit-- there is a seasonality. You will see that if I look at corresponding quarter. Right? Last year, Q1 and this year Q1, it's almost the same, actually.

**Akash Shah**

So there is no growth then. There is no growth.

**Nisha Dutt**

No. It's not that. What happens is that there is a catch up that happens in H2. There is a seasonality to this business where you will always see if you will go back and also see results from the last few years, usually, H1 is a little muted. And then it starts kicking in H2 because these are aligned to our businesses aligned to business cycle of the buyers, right? So you will start seeing a lot more uptick happening as the quarters go



by. Q1 usually remains a little muted, H1 actually. So I would if you go back and compare, you will see it's the same pattern actually. So that's what I meant to say. That's the reason why you are seeing it. So compared to Q4, it is muted. Like I already kind of acknowledged, yes, yes, it is muted. And it's kind of expected. That cycle is also expected in certain way. Q4 is expected-

**Akash Shah**

Where do we expect the coming quarter revenue to be?

**Nisha Dutt**

I can't make a comment on, you know, the exact number, but we are definitely-

**Akash Shah**

Compare to this quarter at least -- compared to this quarter, do we see a double-digit growth at least?

**Nisha Dutt**

I'm sorry, I can't actually, but definitely we are looking for growth for sure. That much I can tell you.

**Akash Shah**

Ok, thank you.

**Nisha Dutt**

Thank you.

**Moderator**

Thank you. Next question comes from Sanjyot Khare, an Individual Investor. Please go ahead.

**Sanjyot Khare**

Hi. Good morning. Am I audible?

**Nisha Dutt**

Yes. You are.

**Sanjyot Khare**

Hi, good morning. Yes, after this 4 quarters of growth and we have seen since we joined 4 quarters, [Inaudible ..]

**Moderator**

Sorry to interrupt you, sir.

**Nisha Dutt**

Sorry. We are -- you are not very clear, actually. Sorry. I'm losing you.

**Sanjyot Khare**

Hello? Can you hear me?

**Nisha Dutt**

Now we can. Yes.

**Sanjyot Khare**

Yes. Is it better?

**Sumit Kumar**

Yes, please go ahead.

**Sanjyot Khare**

Yes, sure. Yes, what I was saying that, yes, after 4 quarters of growth and suddenly this quarter, we have seen a huge drop in revenue, basically a disappointment. So anyway, you explained that how the thing works and hope QoQ now revenue growth and H2 is going to be better. My question is about as overall telecom because we are seeing only overall telecom market is growing. AI is becoming a center stage everywhere. So how – subex is seeing all of this, now are we seeing higher demand for services offering compared to last year?

That's the first question. And from which regions you are seeing the demand coming up? That's first question. And second is about this-- we are seeing that cash has reduced from INR 104 crores to INR 101 crores this quarter I mean, last quarter. There was about INR 8 crores tax refund has approved. I don't know whether that's going to be improving your cash flow situation or that's another question.

## **Nisha Dutt**

Okay. I will take the first one, and I will request Sumit to respond to the cash question and the tax as well. So in terms of growth, you are right. Actually, I said that earlier also, we are starting to see AI becoming real. And when I say it becomes real for me is that I can see revenue actually against specific AI contracts. So we are definitely seeing a lot more uptick actually even as compared to last time. I would say that broadly, if I were to talk about it in terms of number of, let's say, AI models that are deploying at client side, the uptick is almost to 8x, right? What I did last year versus this year, we doing it 8x. So we are definitely starting to see a lot more pull actually from the client. It is evidenced not just in our conversation; we are seeing it explicitly being asked in RFPs.

So if you want to just pick up RFP from any region, you will see that a lot of demand is starting to come. Use case demand is increasing. Device fraud is, for instance, very, very big. Subscription fraud and then, of course, the new age fraud with advent of OTT and all that. So fraud actually has become a big area for AI because as the money is growing, obviously, the fraud is going there, right? So we are seeing a lot more pull in those areas. In terms of regions, again, developed markets because obviously they are lot more ahead of the curve; we are starting to see a lot more requirements from them. But even in developing markets, we do see a lot more pull from APAC region actually. So we are seeing if I were to talk about it, I would say Middle East, Europe, APAC and Americas, right? So these are the guys who are really leading this right now.

Africa, we do see demand, but it's other kinds of fraud. It's more, I would say, FinTech and users, I would say, churn. They are still doing something, which is a little bit different. But other regions are trying to sort of catch up right now. So that's broadly been our experience with AI. But again, like I said, we are doing 8x the more the number of models today that we are deploying in client side. So obviously, we are starting to see a lot more pull. And these revenues should start kicking in and it should start becoming I mean, we already have revenues against AI, but I'm hoping that I'm hoping for almost like a hockey stick, right? At least for AI, with the base that we have, we should be able to see significant growth. That's probably hope that answers your question. But Sumit, if you can comment on the cash flow?

## **Sumit Kumar**

Yes. Sure. So on the cash side, your observation is right. There's a reduction of roughly around INR 3 crore odd cash from the March level and obviously the cash has manage to support the business losses, so that is what. On the specific comment around the income tax refund part, we did receive the orders, but having said that, that is still not the money of that order is still not in the bank. So your observation is right. This 8 crore ideally should add back to the cash once we receive a refund from the department.

## **Sanjyot Khare**

Yes. So that will be impacting the volatility through cash flow, right, and whenever you get the refund?

**Sumit Kumar**

That's correct. Once we receive a refund, it will increase our cash balance.

**Sanjyot Khare**

Sure. That will be great because that's a huge thing. I mean, definitely because the kind of business you are in, I mean, investments are very important and as you get more cash, you can invest more on the business growth on that. And the second question to again, because there was like last Q4, there was some revenue some dues were pending from Middle East, this company, I think, last Q4 or something, there was a huge drop and some revenue was or some dues were pending. So have you starting getting it or you completely need to forgo that revenue completely on that? And second, on the revenue front itself was there any revenue or any dues spending from the Vodafone, which was not performing, now it started performing, so whether you'll be getting any revenue from Vodafone?

**Nisha Dutt**

I think the one on the Middle East that you are referring to; we have been trying to recover that money. We are in negotiation with them. We are constantly in touch with them. This is an effort that I can tell you that we make it every couple of weeks. There is an effort to recover that money. But truth be said, we haven't really recovered that money right now. And do we hope to recover it? I don't know. So we have provided for it already.

**Sumit Kumar**

Yes. So, yes, there is an effort, but, yes, it's still not metallized. On the Vodafone side, we don't have any such kind of exposure right now in the sense the payments is on and we are not finding any risk for that account which we are working with them.

**Sanjyot Khare**

Okay. And the last question about there is about 23% drop in revenue from Q4 to Q1. As Nisha already mentioned, there are some deals probably might have moved to Q2. And only one new logo is what we are seeing probably added in last quarter. So are we seeing that more it's like more deals will be getting closed probably next quarter? And because of cyclical nature, are we seeing that Q2, Q3, Q2 is going to be better than Q1 and Q3 is going to be better than Q2. So is that way it's going to work?

**Nisha Dutt**

That's ideally, I'm hoping that is how it works. So at least this is how the effort is to make every quarter better than the last one. Nobody wants a bad quarter. So that's really the effort. Yeah. That's all I can tell you. No. Definitely should get up get better from here.

**Sanjyot Khare**

Yeah. I guess, as you mentioned, some deals got moved. I mean, the revenue to that, the initial bill-

**Nisha Dutt**

Correct. Like I said, we didn't move. It just got shifted, actually. So sometimes, the client says that I'll close it after 2 weeks. For them, it's 2 weeks. For us, the quarter has moved. So I think those are the things that we can control to a certain extent, but it can be unpredictable.

**Sanjyot Khare**

Sure. The drop because it's a huge drop. So it is not like losing the big customer or something. It is just moving the revenue. It's not more connected.

**Nisha Dutt**

It's shifting. Yes.

**Sanjyot Khare**

And not, the losing of the big customers.

**Nisha Dutt**

No. I know. That I can confirm. We have not lost anything. Telco actually is growing, right? Telco is growing. Telco has growth right now. So it's definitely not that we have lost deals and things like that. It's just that it's shifting for us.

**Sanjyot Khare**

Thank you very much, I'll come back in the queue.

**Nisha Dutt**

Thank you.

**Moderator**

Thank you. Next question comes from Ramesh Pillai, an Individual Investor. Please go ahead.

**Ramesh Pillai**

Hi, Nisha. This question is for you specifically. We had investment in a company called PrivaSapien. And post the sale to and the sale of ID Central is it getting impacted? Or how is it and what's the I mean, if it is not, what is the rationale of us being invested in that company?

**Nisha Dutt**

So PrivaSapien, we are still-- we remain invested in it, actually. So we made an investment alongside Omidyar, actually. So we see benefit of why we are invested there is simply because they are very aligned to the kind of work that we are going to see come in future, right? So they are doing what is called as AI risk. So digital risk, AI risk is actually an expanding area today. So what it means is just to kind of simplify it and I'll simplify it. It's almost like when our Telco is deploying AI, they have a lot of functions, right? So every function is deploying hundreds of models.

And data is getting generated; data is being shared to vendors openly because people are just trying to deploy models. But what happens is that there is a lot of PII information of customers that gets generated along with this data when the models are getting generated and a lot of vendors get their hands on this data. There are jailbreaks, there are ChatGPT hacks. There are a lot of things that happen. So what PrivaSapien actually does is it tries, it can go into a Telco or in any other company basically and it can do a risk assessment of what is their AI risk exposure, the number of models that are running in their company, where all the data is going out that they should not be, because it is AI data, right?

It should not be going out. So I think in that sense, this area actually is becoming more and more relevant because AI is getting regulated, as you know, today. A lot of governments have started regulating AI. So I think this area will only expand actually in future. And we are, anyways, a risk assurance provider. So for us, it's very complementary. What they are doing is very complementary today. So that's why I think it would make sense for us to continue to be invested there actually. So that's not that's an investment that we will keep for now, if that answers.

**Ramesh Pillai**

So the understanding is it's not being impacted with the sale of ID Central.

**Nisha Dutt**

No. No. Because I'm not actively putting any money there. I mean, money has already been invested. It's an investment of ours. We are not actively, you know, doing anything right now. We do partner with them and sort of do joint GTMs and all that. That's something that we kind of try to help them and take them. So we provide all other support actually to them because they are eligible.

**Ramesh Pillai**

Okay. I get it. The second question is, I mean, in the past, I mean, even though this deal for Ongrid is more of like a share swap or a slum scale, whichever we way we call it, earlier in the past, we had acquired company and somewhere it led to impairment. So how do we how are we trying to safeguard those that the valuation, which has been done, 526 lakhs or whatever is the right one and it wouldn't impact us negatively in the future? I'm asking this question because we have done something not exactly the same, but something similar in the past and led to impairment. So how are we safe?

**Nisha Dutt**

So when we entered this transaction, there are a few things I wanted to say. One is that, you know, we work with, bankers actually in this. So we didn't actually do it on our own. We had a banker in the mix. There was Axis Bank. That's our Axis Capital is our banker, investment banker here. So it's one of the top bankers. So we actually worked through them. So in that sense, we ensured that all the valuation and the deal and all that is extremely tight.

Also to safeguard our interest, what we have done is obviously negotiated a lot of clauses, but the ones that are most relevant to this conversation is anti dilution. So we have an anti dilution protection there. Dilution was done by a registered value or the banker was Axis Capital. So this is been done this I would say you know the best possible way that we could have done this. So you should be I mean, can we predict future? No. But we have taken all steps to ensure that we are protected. So we have anti dilution, and Ongrid is actually a growing company. The reason why we did this transaction is that they are really growing. They are growing very, very well today. So we felt that it's a much superior asset actually for us to be holding our stake instead of trying to keep this in house and somehow try to grow.

And what that will also do is it freed up my cash, right? So I can now put cash back into growing my core business, which is where I want to invest the money. So what we have done is this had a few angles to it. So we have and I think what it does is for shareholders, it gives you an upside eventually. This is the aspect as Ongrid goes; we'll get an upside in that transaction. And it's upside for all of us. So that's really the logic of this. Again, to assure you, we have taken all steps to ensure that we don't lose money in this deal.

**Ramesh Pillai**

Okay. Noted.

**Nisha Dutt**

We got 2.2 times valuation here for the asset.

**Ramesh Pillai**

Thank you for your input and best wishes to Subex.

**Nisha Dutt**

Thank you.

**Moderator**

Thank you. Next question comes from Ravikant Agarwal, an Individual Investor. Please go ahead.

**Ravikant Agarwal**

First of all, ma'am, I would like to just give you some background why there is so much of confusion getting Horizon, because I have been following this company for almost 2 decades now when Subex was in its heydays. So in early 2000s, please correct me if I have got my understanding wrong anywhere. Subex used to be projected as a promising company because it was one of the few software product companies in India, whereas the entire boom was in the services sector. So the understanding that we got was that software product companies have long gestation period because they have to invest a lot of money into research and development unlike services companies, which are like body shops, substitute one with another without much into it. And in the space of BAFM, Subex got tremendous success.

Then the post-2009, we went into the FCCB crisis and for almost we lost almost a decade overcoming that. And in the meantime, what happened was that since we were so good in the BAFM business, we almost saturated the market and we were working with almost all the leading companies across the globe. So there wasn't much scope to grow horizontally and there was only scope for upselling or cross selling of services. So basically, we were like so my understanding is that a software product company is like a pharma company, which is into R&D and which is investing a lot of money into new chemical entities. And once they get the approval, they get the pay dirt and they make a lot of money out of it.

So once Mr. Vinod came onto the scenario, the understanding that we got was that, that BAFM market is saturated. Now the company is pivoting on to other products, and 3 products were put forth before us. First was the HyperSense platform, the no code AI platform, which was launched with a lot of pomp and show and we were promised that it has a lot of promise. And the and your IOT and OT security business where we came up with Techtrio and 3rd was the ID Central digital trust business where Mr. Vinod had said that it gives it opens up immense opportunities for us into we can diversify into retail business, EFSI, so which has the horizon. The canvas is so big that there is immense room to grow.

Now after the departure of Mr. Vinod, again now we have divested ID Central and now again we are talking about developing the core business. So we feel like we are back to square 1 and it was a-- it is a case of growth, gross capital misallocation and we are utterly confused where the business is going. I mean, the actions of the company over the period of time, if you look at it holistically, it is self-contradictory. And another thing is that in pharma companies, though they don't disclose the name of the entity, they just give it a quote and they keep updating you what is going on, what new products are coming up, what is the potential so that the investors have a fair idea.



In our case, unfortunately, because see, our employee benefit cost is almost 70% of our revenue, which is much higher than the industry average of around 35-40%. So we presume that the additional expenses that we are incurring are going into R&D and development of new products. But we don't see that pipeline, and we don't see enough communication from the end of the company to give us the confidence, okay, fine, even if today we are struggling, we have a bright tomorrow ahead of us.

**Nisha Dutt**

Right. I mean, I think I could not have articulated the way you did. So thank you for that, and you are bang on. I can't say that, you know, you got any part of it wrong.

**Ravikant Agarwal**

No, no. So, ma'am, I just want to get your perspective on how it can be addressed over, from your end to give more confidence to your investors and you are saying that primarily your investors' people like us who are retail investors. There is no institutional holding. And I'm sorry to say, but even our Chairman acts like a trader who keeps buying and selling the shares. Sometimes, it feels like it borders on insider trading, but given his reputation and integrity, I would not go to that extent.

**Nisha Dutt**

Yeah. Well, I can-- so here is what I would like to see. There are few things that you look at, there are a lot of, things. I will just clarify or at least, you know, from my perspective. See when Vinod took some bets on IDC, Satrio and, HyperSense and all that, there are some bets that work out and then there are some bets that don't work out. Right? But in the spirit of innovation, we must make some bets. Just as, you know, I'm hoping that, you know, I am taking some bets. Right? So I think that it's in the course of business, and it was the intent was always right. But in terms of IDC, I think it didn't work out as well as it should have worked out for us. And at some point of time, we need to quite have noticed, right? So....

**Ravikant Agarwal**

No, no, ma'am. My concern is not one particular transaction. IDC I mean, when you are there and we have voted for you to be the MD and CEO, we have voted you with wholeheartedly and with enough confidence that whatever you do, you will do to the best of your ability because even you would not like to take a failed if the company fails, in a way, you fail. So actually, I am not talking about this particular transaction. Miss that is why I printed the larger picture why the investor feels confused and he's at a loss of words. What is going on?

**Nisha Dutt**

So let me give you some pictures then. Maybe I can help you. You know, I can paint the picture from the way I see it. See, I feel that, HyperSense was the right bet in the sense that, you know, that's an AI first

platform. And today also, if I think about so you talked about saturation in the market, right? Actually, the market is not saturated in RAFM. While we have worked, we do work with a lot of T1s, but the market is actually not saturated. And if you see today, even today, a lot of a large part of our business comes from that aspect. And HyperSense is an AI first platform, and we are doing AI use cases. So if you look at just the Telco AI market, just to give you some perspective, it's a 1.7 trillion market, and 14 billion is being added YoY in this space.

Telcos themselves, I'm only talking about Telco. We don't even have to go out. So what's happening is that when you think about it as you are thinking about it as our RAFM, right? We do revenue assurance and fraud management. What we are, for instance, starting to do is contract assurance, business assurance, which are adjacent fees. So for you, it might seem like we are still in the same area, but we have been horizontally expanding our offerings actually, and these are all powered by Gen-AI. So today, the biggest cross sell or upsell opportunity that we see is actually in AI. And that's one of the reasons why we-- I want to double down on it and I want to double down on Telco because if you look at just their market size, it's humongous. They're adding 14 billion in a year actually.

So, I think and in terms of the strength of Subex, right, I think those have not changed. In fact, if anything, I think we haven't capitalized them well in the sense that, we like you might rightly mentioned, right; I am already working with 150 Telcos. Now I have the pipe, which means that I already have the distribution. Right? I'm already in the Telco. Selling or cracking a new account is not my challenge. Taking new products through that pipeline is a challenge. So what we are trying to do is build a product portfolio. And you are right; we are not resting on RAFM. In fact, we have added quite a bit to our portfolio. We have added enterprise billing in addition to wholesale billing.

This is again an aspect that people don't know of, but we do actually billing. We do wholesale billing now. We also do enterprise billing. We have an enterprise network asset management product. We have added more bolt-ons to that like signal intelligence and all that. So there are products that are getting added even as we speak. So as a product company, you are right. We are the portfolio, if anything, has gone up by 2.5x actually. Last 1 year, we have expanded the portfolio from 4 to almost 10 products. The product -- number of products that we are trying to introduce and experiment with, this is increasing today, and it will continue to increase. So you are right about that. I think this is something that we will continue to do.

So in terms of what we are trying to do, I think we haven't lost our bearings. We will continue to be a product first company. We want to we have tasted past success in it, and I believe that we will taste success again in this. We continue to be focused on Telco. We continue to be AI first. And anything that's a distraction from this, I would say mission, is something that I will be a little bit hard on, and we will divest out of that. Because I really want to make sure that we are very, very focused right now. There is enough headroom in Telco to grow, and there is enough headroom for us to grow.

At our base, actually, if Telco is adding 14 billion annually, at my base, even at 20% growth, what am I looking for; I'm not looking for that much. So I think I have enough and more room to grow right now. What we need to do is get our product story together. We need to get our act together. We need to make sure that we have larger control on our deals. I think that's what my focus is on, honestly. I don't know if it

answers your question, but essentially, we will continue to get out of areas, which I don't think we should be distracted by. And we will continue to consolidate with the area when we need to.

### **Ravikant Agarwal**

So ma'am, it gives me a lot of hope. But again, I will come to the point where the confusion arises. Like you made 2 points. Like your HyperSense is a success as per your comment, but we have divested this ID Central. Now the confusion of why we are confused is, because we have no idea what kind of investments have gone into development of HyperSense and what kind of ROI we are generating on it. Now if we have divested ID Central, I don't know what proportion of my R&D budget was allocated to ID Central and whether I have sold it at a loss, I have taken a hit on my balance sheet or I have sold it at a profit or if we have taken a long term call by investing into OnGrid, what are the kind of returns we are expecting from it?

Because we have absolutely no idea as far as the cost and return on investments are concerned. So that is a I mean, I means, if the company could be a little more transparent because since the nature, as I said earlier, is more a lot of our investment goes into R&D. But as retail investors, we have no tab that what the investments that are going into development of new products, what would be their payback period, what would be the kind of ROI that we can look forward to?

### **Nisha Dutt**

So I think in terms of see, HyperSense is also I would say the R&D budget or R&D investments in HyperSense is not stopped, right? It's an evolving product in the sense that you will keep adding new features. Every product has a road map. So we continue to invest in HyperSense and that's a road map item and that's the reason why we wanted to make sure that we are able to free up cash to invest more in the when I say core products, these are Telco oriented products. My divestment decisions are based on a very and I think I mentioned this before as well, right?

The criteria are very simple. The IRR that I expect and you are right, IRR has to be greater than my cost of capital. It might—in fact if any investment meets that criteria, it will get more money from us. If that does not meet those criteria, we will get out of that. So that's really, you know, net for me, that is the acid test. Every business must generate a positive IRR. If it cannot I cannot even recover my cost of capital, then I'm going to get out of that business. And I think in terms of investment, we made some investments. Right? In IDC, obviously, we made a lot of investment.

But I do not want to get into this, you know, there is you will know that you're all investors. You know this so much better than me, but, there is a sunk cost fallacy, right, that I've already spent money on it, so I must actually keep investing more and more on it. I do not want to get trapped into that sunk cost fallacy, right? Sometimes the cost is sunk. It's gone and we must now look forward and get out of it so that you don't put good money after bad, right, essentially. And I feel that, the good thing about IDC was we were able to develop it to an asset that actually somebody was very interested in. And I today think that they are really growing very, very well. And now we have tagged our asset to someone who's doing much better than I could have done that as well. So for me, that makes sense actually.

**Ravikant Agarwal**

Actually, ma'am, that that Sunk cost fallacy is working negatively for us investors. I'll give you an example because when the business restructuring was done and we enjoyed the transitory profit that the company generated and the more than 20% profit margin and when the stock hit near term highs of around INR 74, we still stuck to the company hoping that AI is the future and the kind of initiatives that the company had taken, and we have given pass to all the other promising opportunities that came by. Now after 2-3 years, now we feel that we have sacrificed so much. Now why should we abandon the ship when there could be a fortune ahead? But somehow, we don't get any clarity because of that. It is working the same way negatively for us.

**Nisha Dutt**

No. I mean, no, honestly, this is something that, look, I have to kind of, you know, make decisions, which are right. Right? I mean there is no point in us getting stuck in the past.

**Ravikant Agarwal**

I don't hold you accountable for what has been done in past or which has not been under your tenure. I'm just giving you a perspective of the retail investors.

**Nisha Dutt**

It is, but I wouldn't actually liken your situation to IDC, and I wouldn't want you to think of us as that cost.

**Ravikant Agarwal**

Ma'am, at the outset I told you I'm not talking about any one particular transaction. I'm talking about the entire -- there is a lack of transparency in the communication. The company can provide a little more information, which would reassure the investors.

**Nisha Dutt**

I thought the transaction, we were quite clear. Right? We told you what the you know, what is the shareholding that we have there, what are the consideration, I think we have given to you.

**Ravikant Agarwal**

Sorry to interrupt, ma'am. Again, I am not talking about one particular transaction. I'm talking in general. Okay.

**Nisha Dutt**

Understood. Understood.

**Ravikant Agarwal**

One last question, ma'am. It is on a lighter note. Ma'am, given that the tech meltdown has started in U.S. And the way Intel has crashed and now everyone has started questioning the viability of the AI investments in \$50 billion and \$100 billion that companies like Google and other, I think, magnificent 7 are making into that the payback period is not clear and it will it might take 15-20 years for the returns to get generated and the negative pessimism is now catching up into the stock prices. So don't you think we are a little late to the AI party?

**Nisha Dutt**

No. Actually, I think, look, the amount of capital then put in, that was humongous, right? So from that perspective, I think some amount of correction might be happening. But, are we late to the party? No. Actually, I think this is actually just kicking in. If you think about it, generally right. It's on your WhatsApp today. You see that icon. Right? It's come to your WhatsApp. When did it come? I think literally a month ago, all of us got that. Right? But I think-

**Ravikant Agarwal**

Ma'am, it is all-pervasive, but it is not generating the kind of returns required to justify the investment.

**Nisha Dutt**

I agree. But then I would say that we are not, anyway, making billion of dollars of investment in AI, right? We are riding on the investments that have already been made. So people like us, what do we do? Right? Am I creating a new LLM? No I'm not creating a new LLM. LLM has already been developed. What I am doing is, you know, I'm using that LLM and, you know, building my product on it. So I think all the initial investments that were made, that were humongous and they probably needed to be made for honestly for the industry to move forward. But the thing is, I think we are only using what has already been built, and we are building our products on top of that. Right? So for us, the quantum of investment is nowhere near what has been done.

And in terms of fraud, right, if I just give you an example, the fraud is so pervasive today. It cannot be fought by humans anymore. You cannot expect a fraud analyst to fight this anymore. It is it has to be fought with machines. Fraud is auto generated. It is being fought-- fraud is created by machines. It has to be fought with machines. And it's going to be -- AI is going to be all-pervasive whether we like it or not. In terms of ROI, I think, again, it depends on the investment that you are making. But like I said, right, I mean, there is a bit of meltdown. There is correction maybe that's required. But frankly, this has truly moved technology forward, right? This is one of the most forward-looking technologies we have seen in over a decade actually. And I still believe that this is going to we are going to reap a lot of gains out of this.

**Ravikant Agarwal**

So we can rest assured that whatever investment Subex makes into, we will ensure a minimum IRR of 20% on our investments.

**Nisha Dutt**

Only 100% sure. That is my acid test. There is nothing, Below IRR you know, below, I will never pass my master. That's it. Nothing will pass the....

**Ravikant Agarwal**

So, ma'am, you are still sticking to your statement in the last con call that 2425 is going to be a breakout year for Subex and we will be hitting double digit growth in this in the entire year.

**Nisha Dutt**

That is definitely the effort. I'm striving to it as is management.

**Ravikant Agarwal**

Thank you very much and all the best.

**Nisha Dutt**

Thank you.

**Moderator**

Thank you. Next question comes from Deepesh Sancheti from Maanya Finance. Please go ahead.

**Deepesh Sancheti**

Okay. Firstly, I want to know where is the growth going to come from? And, just want to have some reassurance statement that, you know, I think you should be brave enough to make judgments for the company and not just go for the profits. I mean, Vinod has done what he's done, but I think you should be able to -- it could be really fair to for us investors to actually back you for taking decisions, which are going to be you know, better for the company. So I think you should do what you want, you know, what you want to know with Subex. Yeah. So where is the group going to come from? That's my first question.

**Nisha Dutt**

Okay. No. Thank you so much. Actually, you know, it's reassuring to hear that honestly, Deepesh, because, sometimes it can feel like, that you are running the quarterly treadmill, but some bets are a little bit, you know, forward looking. You must think of it because, I mean, you can't lose sight of what needs to-

### **Deepesh Sancheti**

We can't hold you for legacy issues. So, that is what we want to reassure you. That's it.

### **Nisha Dutt**

Yeah. So I think in terms of growth, where I think it will come from is, I think so for us, like I said, right, there are some levels of growth. 1 is, if you look at what are Telco's growth drivers. So if I attach myself to Telco a growth driver, which is where I think the growth drivers. One is enterprise is a clear area of growth. The other is AI, actually. So these 2 are big growth drivers for Telcos themselves. And AI is not always to increase revenue. It's to get productivity. Right? Like, for instance, I myself seeing that internally, right, if I use, let's say, code Copilot; I can actually reduce the coding effort by almost 30% or so. So that immediately gives me, you know, productivity.

If it gives me productivity, imagine the productivity that can be passed on to your customers. So for us, we are going to continue on this trajectory of making sure that all the offerings that we have, the products that I spoke about are AI first. And what I want to do is position. See, we are already known very well for fraud management. What I want to do is position us very squarely as the AI Company that can detect fraud, the best you know, best in class, actually. So best in class fraud management company. So I think there are all kinds of frauds that we can catch.

So I pretty much want to position us, you know, not leaving the legacy behind because, obviously, that's where we have cut our cake, but to make sure that, you know, using AI, we are able to do a lot more on the areas of fraud and insurance. So, we are going to keep that same trajectory, but we are going to grow actually horizontally. We already have the distribution. We have the CXO. What I'm going to do is the main growth is going to come from a lot of cross sell and upsell. That's what we are trying to do right now, not to hunt down a new account every time because as you can imagine, hunting is so much harder than farming.

What we need to do, I think, today, well, in Subex is to farm accounts where we are already sitting. And I think those are 100 plus actually. If I can farm those very well, I am sorted for growth, honestly. I don't need to look too far. So I'm trying to see how we can use this pie that we have created to customers and take a lot more upsell and cross sell opportunities into that. And to me, growth is going to come from there. So if some customer is using only one of my products, I want to make sure that they are using 3 of my products. So that's the kind of, you know, leverage I'm looking for right now. At least in short term, that is the plan. That's how we are going to practice.

### **Deepesh Sancheti**

Okay. So you're trying to leverage, what Subex already has and try and get that into the customers, which are already existing customers and give them newer products, and that's where the revenue growth is going to come from. Does that sum, what you wanted to say?

**Nisha Dutt**

Yes. Pretty much, actually. Like, I already have so many customers. Right? I have 150 plus. If they're using, let's say, only revenue assurance, can I also sell them fraud management? If they're using fraud management, can I then sell them, you know, a lot of AI cases on fraud that I have created? So there is a massive growth opportunity there, I feel. So I think we are going to go into the customer basis and tap into that and see how we can upsell and process because I think that's almost like an opportunity waiting to be untapped, right? So we need to kind of go and do that very, very well while we continue to want new accounts. But I think for today, as I see, we need to kind of do this because my cost of acquisition of customer is low in this case. Right? It's already here. That customer is already mine. So my cost of acquisition becomes low there.

**Deepesh Sancheti**

Well, have you ever thought of going for spam call management? Because that is what the TRAI has been talking about. I mean, everybody I mean, that's where the maximum frauds are happening. Has the company done anything? Or is there any product of our company which we have, developed or offering?

**Nisha Dutt**

We do, actually. We do flash calling and spam calling detection. So when you think of fraud management, we actually do this. You are right about that. We are actually doing this. We are working with a client in APAC for this flash calling. So you are right-

**Deepesh Sancheti**

Why aren't we doing this? Why aren't we introducing this to or, you know, there are only maybe 3 players in the Indian market. Why aren't we, why aren't we approaching the TRAI or, you know, the relevant authorities or other companies? And, you know, showcasing our product that, you know, how our input how, effective our product is. Like, something that [Inaudible 01:10:47] is also trying to do. It's going big into this spam call manager because it's harassing the customers a lot, and it has been taken note by the who's who of, the industry.

**Nisha Dutt**

You're right. No. I think I said that's -- I think that's a good suggestion. We haven't thought of, you know, or at least I don't know. I'll check with my product teams. I don't think they have approached TRAI. But, to assure you, we do spam call management. We do flash calling. We do a lot of other frauds. We do fraud detection along all these, actually. That's a part of our suite.



**Deepesh Sancheti**

I hope that you do that, I mean, as we take that more seriously. Okay. Just one more question. Are we aware of what the Vinod is doing right now?

**Nisha Dutt**

I don't know honestly-

**Deepesh Sancheti**

Is there a non-compete agreement?

**Nisha Dutt**

Yes. Non-compete is there. Yes.

**Deepesh Sancheti**

For how many years?

**Nisha Dutt**

For 2 years, we have non-compete. That's my best information. Please don't hold me to it, but my best information is 2 years. I can confirm that reconfirm it.

**Deepesh Sancheti**

Okay. Ma'am, maybe you can reconfirm maybe at a later stage.

**Nisha Dutt**

I just reconfirm, because I will assume his contract will be similar to mine. So for instance, I have non-compete for 2 years. So I'm assuming he had the same thing. So

**Deepesh Sancheti**

Okay. I mean, maybe in the next call or something, I'm, if you can make sure that-

**Nisha Dutt**

I'll be happy to confirm that.

**Deepesh Sancheti**

Yeah. And pre-Vinod and post-Vinod, how many customers have we lost?

**Nisha Dutt**

We actually lost none, zero.

**Deepesh Sancheti**

None. And but, I mean, and have we lost any business from the same customer?

**Nisha Dutt**

No. Not actually. Nothing. Nothing at all.

**Deepesh Sancheti**

Okay. Okay. That was my concern. Thank you.

**Nisha Dutt**

Thank you so much.

**Moderator**

Thank you. Next question comes from Shyam Singh, an Individual Investor. Please go ahead.

**Shyam Singh**

Ma'am, my question is in previous con call, you were saying that we are focusing on top line growth. But now in this quarter, we are not seeing any growth. Now what is actually happening in the company? I want to actually clear-cut answer from your side because we as an investor really frustrating now. You need to understand our frustration at that time.

**Nisha Dutt**

No, I completely understand your frustration. So like I was mentioning earlier as well, top line growth continues to be a focus and it will be my focus. But the reason why you are seeing lower growth compared to Q4 in Q1 is because Q1 is usually a little muted for us. Our business is little cyclical. So it has its own cycle. So typically, our business starts picking up towards, you know, I would say, as the year progresses, it starts getting better and better. So that's just the nature of the business that we are in. And usually, Q4 being very good quarters for us, typically, Q1 looks quite muted in comparison. So that's why I was giving you the corresponding quarter comparison last year as well, that typically you will start seeing that pattern.

And if you go and see, you will see that that would be usually the pattern. That's why it's looking a little muted right now, but it should start picking up as the year goes.

**Shyam Singh**

One thing more, ma'am. We are seeing on some various social media platform, you are saying that we have done this, for this with Taiwan, and we have been this work activity for this Taiwan. But we are not seeing and are we doing those activity on charity business because we are not seeing that growth on top line? What is your take on that ma'am?

**Nisha Dutt**

No. So what happens is when we land an account, typically, like I was saying, right, there are 3 components to our revenue. 1 is license, the other is professional service and then the third one is, you know, the subscription that starts kicking in. So anytime we land an account, there will be some lag between when you start seeing the subscriptions. So we'll get immediate license revenue. We will then there is a professional service as an implementation of the product, right, because these products are heavy.

They require implementation. So they will we will go implement it. And then, of course, that's the recurring revenue or subscription revenue start kicking in. So like I was saying earlier also, this year, we are looking to close some projects. So you will start seeing the MRR numbers starting to get better. So implementation often goes beyond the year. So when we land an account between landing an account and actually seeing subscription revenue, you will see few quarters lag. So, that's really, you know, to just to explain why you don't see an immediate uptake in the revenue.

**Shyam Singh**

Okay, ma'am. You better know about that. But, ma'am, what you have to understand that we are staying in Subex because of fewer [Inaudible 01:15:40]. But actually, what I'm personally feeling now we are losing our actually confidence on the management. So you have to actually, you have to be more transparent now because we are with the company for last 5 years, but we are not seeing any growth in the company. And we are all patiently holding your storage. And one thing more, ma'am, your Chairman had sold almost all of his holding. If he is sold out his holding, then why a retailer or a investor will, believe on the management and company?

**Nisha Dutt**

I mean, I can only assure you that, see, from my perspective, there is nothing that I want to hide. Right? I mean, what do we gain by hiding from you? I will have you know, I would say that, you know. I mean you know the company as well. You are our ultimate bosses. You are the shareholders you know, I always tell them, we report to shareholders. Right? I mean, I don't even report to-

**Shyam Singh**

I don't even ma'am, I just actually, I'm not questioning you, but we have actually only we have already seen in past. Chairman had bought Subex share bought share at INR 5 or INR 6 rupees, and he has sold all of his holding above INR 50. But we are just holding the to management. But if management is sold out his share, then what will we do?

**Nisha Dutt**

I mean, honestly, sir, I cannot comment on Chairman's transactions or, you know, on what... I cannot actually comment on that. My apologies. But what I can tell you is that the management that we have is very committed. Right now, the management that's sitting here is very committed. It's also new management. Right? The commitment remains, I mean. And, again, I want to assure all the shareholders, please, if I'm not able to give you some information, that's because I cannot make a forward looking statement. It's not because we are trying to hide anything from you. I gain, nothing by hiding anything from you right now because all said and done is..

**Shyam Singh**

Yeah. Yeah. Because why I'm saying that? Because we are holding the platform last 5 years, ma'am. And we are, closing I'm just personally close in this company. They personally, we're in very close relation. But, actually, there should be some growth, actually. We have started 1 year cycle now. We are -- we have come there actually. In previous year, in that quarter, we are almost INR 67 crores, I think. And now we are there actually. There is no growth.

**Nisha Dutt**

No. Actually, we did grow QoQ. Last year, we have grown. In fact, as you know, but, yeah, this quarter has taken a beating. But, last year, you know, we did grow QoQ, and the effort is again to, you know, be back on that trajectory. I completely, you know, again, honestly, like I said, what I wanted to, but I can also tell you that, you know, the effort is to-- there is no joy and no growth. Not just for you. I mean, what is it in it for any of us actually sitting here? We are spending our day and night trying to, you know, grow this company. So there is no joy in any of, you know, for any of us not to grow. So definitely-

**Shyam Singh**

Ok ma'am, thank you from my side. Best of luck for next quarter.

**Nisha Dutt**

Thank you.

**Moderator**

Thank you. Next question comes from Abhishek Kale, an Individual Investor. Please go ahead.

**Abhishek Kale**

Yeah. Actually, I must appreciate the way you have handled the call today. I mean, again, not praising for anything more. But one question, like the gentleman in the previous call had asked, right, if we have these or spillovers that are going into the next quarters, right? I mean the golden handshake is done. I'm probably referring to certain terms, which you may like or not. But if the golden handshake is done, the sign on the dotted line is pending, right? Is that something that we can report that we have, I mean, a tentative level of or whatever the term you may want to use?

Can we at least report that kind of a number? So we know that, yeah. And it does happen. It's a business that the customer doesn't show up on the day of signing the dotted line. We have all gone through, we have seen customers done this to others as well, so no harm. But can at least a report of this nature be shared I mean the data in the quarter that we have a spillover? Then secondly-

**Nisha Dutt**

You mean, what is the revenue that shifted spillover revenue and all that?

**Abhishek Kale**

Exactly. QoQ. I mean, like you said, right, the first question was around this point. And you said that I have something, which is going to happen in next 15 days. But my quarter is done, right, for all the reporting purposes. But we know that the deal is almost done. The sign on the dotted line is going to happen on, say, 14th August. But, yes, the work or everything that was done in May, June or April, May, June, right? So can this something be reported? I mean I'll leave it up to the management to decide on. Second thing?

**Nisha Dutt**

Let me look into it, Abhishek, by law, no. But I will definitely look into it. Let me see how we can do that. If we can come back and report to..

**Abhishek Kale**

That's the reason why I'm asking for this, it gives us a ray of hope. Okay? Right now, everything is I mean, you I mean, and that one line should be a statement and a result, a ray of hope.

**Nisha Dutt**

Got it. Okay. No, let me evaluate this for sure.

**Abhishek Kale**

Right. Point number 2, if it is like you said, most of our MRR, right, starts when we start getting the subscription fees and that usually kicks in when we have we are through with the installations and stuff like

that. And then the subscription starts, right? I mean we would have contracts with our multiple customers, right?

**Nisha Dutt**

Correct.

**Abhishek Kale**

So which are going to be completed in the succeeding quarters, right? Can we I mean, we will know that after which our subscription is going to start moving. I mean, once they are done with the installation, they will have to sign up for the subscription, right? So at least, can we have the time line? I'm not talking about the dollar amount here. I'm talking about the timelines that 4 of my projects are going to complete and then they will start making a what you call that they will start contributing to the MRR in Q2, then some in Q3, then in Q4, right? See, what this will do is the work that is being put in by you guys, right, will start showing up. Right now, we get nothing.

**Nisha Dutt**

No, no. I understand your question. I think that potentially can be done at least we can, you know, because we know-

**Sumit Kumar**

We will cover this as a part of our investor deck.

**Nisha Dutt**

Maybe we will cover this as a part of investor deck. Let me take this under advice. We will do that. We'll try and report.

**Abhishek Kale**

Perfect. And third thing, I mean, like 2 other gentlemen said in the previous call, I mean, it is a no brainer that the Chairman had the information and he acted on that information. And I'm not I don't I have not met that person, the Chairman, individually to talk about his integrity and anything or everything, okay. HyperSense was a no show. After the launch and the fanfare it got and then we started hitting problems. I am 100% sure that the Chairman or the Board was aware.

I mean Vinod being the CEO knew about it. And I mean, we are -- probably we are living in a fool's paradise if you are trying to tell the investors that the Chairman of the Board was not aware that HyperSense is not

picking up in the way and we are hitting a roadblock over there. The timing of the exit, the amount of selling that happened from Anagha Investment Advisors, okay, that is the company, which the Chairman has a holding in, right?

**Nisha Dutt**

That's correct.

**Abhishek Kale**

So that company sold its holdings right at the time when we're starting to hit the roadblocks. I mean, and those guys are very smart, okay. I mean, probably we are naive, we retail investors are naive and we are not aware as to okay because we don't see the complete picture. I mean we are not that fool to not see through what has happened or go back, but the Chairman knew about this. I mean it will-- if you go and look at the price and the events, you were a part of the Board. At that time, I think you were the Independent Director, okay?

**Nisha Dutt**

That's correct.

**Abhishek Kale**

Look at the stock price, look at the events, look at when the announcement of okay, we have had we are now encountering some problems with HyperSense was coming into the picture and the timing of the exit of the Chairman. I have voted in this AGM, I have voted for against him being the Chairman of the organization -- board, not the organization, but the Board. I'm telling you and I'm being on record here. This I mean, it gives me zero confidence as an investor for having that individual as a Chairman of the board. He acted in his own interest and not in the interest of the individual minority shareholders.

He had price sensitive -- no, let me finish. He had price sensitive information and he acted on that price sensitive information. I'm pretty sure we will not be able to prove it in the court of law anywhere, but this is what has happened if you look at the price and the actions and the insider selling that has happened, especially from the Chairman and the companies in which he have a has a controlling stake in. I don't want a clarity-

**Nisha Dutt**

Generally-

**Abhishek Kale**

No. Nisha hold on. Nisha, I'm not asking you to clarify on this because you are not a participant in this activity. I just want you to hear the frustration, which a retail investor has. I don't want a comment on this

because every other person who has joined in the call has similar feelings if they participated with the fanfare of HyperSense or they were with the organization. And one gentleman who spoke before, Mr. Agarwal, if I get the name remember the name correctly, I mean, he sounded like he knew more about the company than some of the people sitting inside.

He had more history of the company and complete picture of what he painted actually the picture of the company and I'm really thankful to him. Not probably the right forum to acknowledge him, but it is. This is frustrating, Nisha. I mean, while I understand you are not directly responsible for this, but because you are in the Chair. I mean, I'm just saying this to the Chair, not you as an individual. I'm saying this to the Chair that the frustration is growing. And if you are talking about our sales not growing, okay, what have we done in order to increase the sales? This has been my question since ages.

You have now said that we are focusing our energies on to one particular vertical, which we specialize in. Taken, taken. What have we done? Because our perennial problem stems from the fact that our top line doesn't grow, we are top line, but it is a no brainer that once the top line grows, everything will start to fall in place. Expenses will grow a bit, but then my, EBITDA and my PAT, becomes positive. But what are we doing? I mean, what is your sales team doing? And how are you disincentivizing them for not being able to deliver? And you should, you are also one of the members in that as to how you are those guys are getting a rap on the hand for not being able to deliver on these things. Sorry, I'm sounding a bit agitated here, but it is what it is.

### **Nisha Dutt**

No, no, you are right. And I think that's when, we have also given clear directions to sales, right, that do account farming, you know, do road shows, new products are there in the pipeline. So we are also enabling. And to assure you, I feel that in sales cycle, typically, the longevity is very low, right? You are only as good as the last quarter. And this is something that I keep emphasizing with sales. So I mean, I can tell you that internally we are being very hard. We are being very hard on sales also to make sure that they bring the deals, they do that.

So I think, I can assure you that there is no laxity here. It's not that people will not close deals, you quarter-after-quarter, and they will still be where they are. That is not something that I have tolerance for. This is not something that I would even want as culturally for us to get comfortable. The truth is we are not in a very comfortable situation, and I keep telling people don't get cushy right now. We are not in comfortable position. And so shareholders are not comfortable, we are not going to be comfortable until they are comfortable. So this is something that we are extremely cognizant of.

Sales cycle, I actually monitor very, very granular basis. In fact, I have a weekly call with them. And, you know, we kind of keep, you know, tracking every deal. Each and every deal, I actually know, like, the back of my hand, which is the deal. What are we going for? So at the level at which I'm tracking it because I completely understand the pressure on growth. Right? And I also and I'll be the first one to tell you, Abhishek, because there's no growth, we will die actually. So growth is nonnegotiable in the company. So that's something that's clearly understood.



So yes, I mean, we are doing the best we can. We have the best salespeople right now, at least I think the best that we can have, and we are going to monitor them. And if it doesn't work, then we'll make the calls that they need to. That's it. I mean, I think nobody should be comfortable at this point of time, and that's something that's been made very clear to the management.

### **Abhishek Kale**

Okay. May I make one more comment, please? I'm sorry if I have taken more time from the other speaker. But are we also saying to the KMTs who we have reported or called out, on the exchanges. That I mean, they should set an example that we are fully invested in the organization by not doing those insider's selling's while the moment this trading window opens up. Because I mean if the management itself is not confident of see, I mean give me a yes or no. This is a binary question. Okay? If that your and then --- Hold on, Nisha. Just let me finish. I mean, if you know that your company is going to grow, say, 20% or 15%, 20%, whatever.

Let's take 10% as the number because it's a double digit and you had said I will give you double digit growth in 2025. So I'm starting with 10%. So if we are going 10% QoQ, right, then why management or the key management personnel are trying to sell their shares? Because they either don't see that or I mean they are trying to get an exit out of the company. I mean, when Vinod sold, he actually moved out of the organization and then he sold most of his stake. But we are seeing I mean, when the exchange filing comes, there is a repeated amount of insider selling, then those ESOPs that is again one thing which I find it very hard to understand that yes, you are entitled for a stock option, but if the organization has done poorly for 8 quarters, we are not seeing a positive path.

Then how on earth the company is allotting these guys ESOPs? I mean, there has to be some change. The CS, the company secretary should, I mean, write something in the policy that unless and until we are PAT positive, we cannot allot you ESOPs because actually, it is a reward for your work and the you get rewarded if, we are PAT positive. We are not here as a charity organization. Right? I mean, these are the few frustrations, which comes in. I myself being an investor. Right? I mean, why would I even then, be invested in the organization if the management personnel feels otherwise? Right? Do you see what I'm trying to get to?

### **Nisha Dutt**

No, I get your point. I think just to and I kind of I understand your frustration. I think see, the ESOP, first of all are it's a long drawn thing, right? ESOP is a part of our compensation plan, which you also offer to attract talent, right? So sometimes ESOPs are also offered in lieu of, let's say, giving a fixed salary. So those are the trade offs that we make often when we are trying to attract good talent from the market. But if I can't pay them at par, then I would have to offer them some ESOP.

That being said, when the ESOP is offered, the way our policy works is, it does not even vest for 1 year actually. So you know the vest there is a vesting period, there is an exercise period, there is a lock in period. So there is quite a bit of hoops to cross actually before you can make any money out of ESOP. And the way

ESOPs because this acquisition is a part of compensation, Abhishek, basically, individuals, sometimes they have to plan their finances, right? Somebody's daughter is going to U.S. for education.

**Abhishek Kale**

Got it, got it.

**Nisha Dutt**

And they tell it and ask us, that can I sell it? You know to, you know have to fund education of my daughter. So then you can't say no to those things. So it's not always to be seen in the light of insider trading. I would request everyone that's not the only lens to use for ESOP. People also do this for planning medical emergencies, for sending kids abroad. There are a lot of other aspects that are there which we are aware of when the request comes.

**Abhishek Kale**

Right. And I completely get that point. See, the message, like you said, I mean, other people are also having would have the same challenges. We all have all those emergencies which we have to fund, right? Or what we have planned for, either the message it sends out to the investors, right, is right at the time when the stock starts doing good. There is an insider selling that happens and immediately preceding a quarter and then the quarter is a poor show, okay.

Now you see these things in the light of a poor result, right? Had the results been excellent, right? I mean, nobody none of the investors would have asked this question in the first place. I would have not asked this question. I'm not speaking for others, but I would have not have asked this question. This question comes in only because of the one and only one problem that we have, and I think you are working towards getting a solution for it. Right?

**Nisha Dutt**

Yes. So also, to clarify, we do have restriction on the quantity that anybody can sell it.

**Abhishek Kale**

Yeah. A 100,000 shares. I know. 100,000 shares.

**Nisha Dutt**

Yeah. So we do have, you know, I mean, checks and balances. And, you know, everyone trades only in a certain window, right, which is semi compliant. So I think in that sense, you know

**Abhishek Kale**

I understand-

**Nisha Dutt**

The point is right Abhishek; I understand the spirit of it. You know? I understand the spirit of your question.

**Abhishek Kale**

Exactly. That's the only thing. I mean, I'm not commenting on any individual as to why he or she sold. They have their needs and they sold it because they had the share. The message that gets passed on to the investor is what I was communicating. That's about it.

**Nisha Dutt**

Understood but I will also request investors, right? I mean, you must not always see everything from the length of insider trading fees. You don't -- have emergency due to which this happens. Please, I would always request you to have the length.

**Abhishek Kale**

Right. If I may say something in Hindi. [Hindi-Patch 01:37:45]

**Nisha Dutt**

[Hindi Patch 01:37:49]

**Nisha Dutt**

Not everything is sinister. Not everything is ill meaning, please.

**Abhishek Kale**

Agreed. Point taken. And I hope the best wishes that you guys will probably come out of the problem that we have. And I'll again hold you accountable for a double-digit growth in starting FY2526.

**Nisha Dutt**

Thank you. And I hope to live up to that expectation. Thank you.

**Abhishek Kale**

Thank you.

**Operator**

Thank you. That would be the last question for the day. Now I hand over the floor to Ms. Nisha for the closing comments.

### **Nisha Dutt**

Well, thank you so much. This was I would classify this as one of the tougher Investor calls I've done, but you're all entitled to hold us accountable. So thank you so much for being here, for being supportive of us. I speak on the behalf of management and everybody at Subex that we are deeply appreciative of your confidence and please stay invested. And then if you have any other questions that we haven't been able to take today, please do write to us. We always respond to questions. So if you have any questions, please write and you will get all the answers that you need. So with that, I will close it, and I look forward to speaking with all of you next quarter. Thank you so much.

### **Moderator**

Thank you, ma'am. Ladies and gentlemen, this concludes your conference call today. Thank you for your participation and for using Door Sabah's conference call service. You may disconnect your lines now. Thank you, and have a good day.

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- Note:** 1 . This document has been edited to improve readability  
2. Blanks in this transcript represent inaudible or incomprehensible words.