

May 19, 2026

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400 001
BSE Scrip Code: 532348

The Secretary
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot no. C/I
G Block, Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051
NSE Symbol: SUBEXLTD

Dear Sir/Madam,

Sub: Transcript of Earnings Call

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Transcript of Earnings Call of the Company held on May 13, 2026 for the quarter and year ended March 31, 2026.

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,

Yours faithfully,
For **Subex Limited**

Ramu Akkili
Company Secretary & Compliance Officer

Encl.: as above



Subex Limited
Q4FY26 Investor Earnings call

Event Date / Time: 13/05/2026, 11:00 Hrs

Event Duration: 75 mins 23 secs

CORPORATE PARTICIPANTS:

Ms. Nisha Dutt

Managing Director and CEO

Mr. Sumit Kumar

Chief Financial Officer

Mr. Harsha Angeri

Head Corporate Strategy and AI

Mr. Ramu Akkili

Company Secretary & Compliance Officer

Q&A PARTICIPANTS:

- 1 **Sanjyot Kare** : Individual Investor
- 2 **Abhishek Kale** : Individual Investor
- 3 **Ajay Doshi** : Individual Investor
- 4 **Mehul Panjuani** : 40 Cents
- 5 **Mahesh Kumar** : Individual Investor
- 6 **Jitendra Bhutoria** : Individual Investor
- 7 **Ashish Khoti** : Individual Investor

Moderator

Good morning, ladies and gentlemen. I'm Madhuri, moderator for the conference call. Welcome to Subex Limited Q4FY26 Earnings Conference Call. As a reminder, all participants 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 0 on your touch tone telephone. Please, note that this conference is recorded. I would now like to hand over the floor to Mr. Pratik from Investor Agency EY. Thank you, and over to you, sir.

Pratik Jagtap

Thank you, Madhuri. Good morning to everyone who have joined the earnings call for the quarter ended March 31st, 2026. I would like to introduce the members of the management who are present for the call: Ms. Nisha Dutt, Managing Director and CEO. Mr. Sumit Kumar, CFO. Mr. Harsha Angeri, Head Corporate Strategy and AI. And Mr. Ramu Akkili, Company Secretary and Compliance Officer. I would like to start the conference call by going through the safe harbor clause.

Such statements in this presentation concerning our future growth prospects are forward looking statements. Which involve several risks and uncertainties that could cause actual results to differ materially from those in such forward looking statements. These risks and uncertainties relating to these statements include, but are not limited to, fluctuations in earnings, our ability to successfully integrate acquisition, competition in our areas of business, client concentration, liability for damages in our contracts, withdrawal of tax incentives, political instability, unauthorized use of intellectual property and general economic conditions affecting our industry. With this, I now hand over the call to Nisha Dutt to take it forward. Over to you, Nisha.

Nisha Dutt

Thank you, Pratik. Good morning, everyone, and thank you for joining us today. I'd like to begin with a brief reflection on my tenure here. Particularly as this moment marks not just the close of the quarter, but also end of the financial year. I've been here for three years, and when I came in, I came in with a clear mandate. It was to transform to back and return it to a growth path. In this time, we have strengthened the fundamentals. We have exited noncore businesses. We have freed up capital. We have rebuilt the foundation that this company needed. Many of you have tracked this journey closely, and I believe the first phase of that transformation has been delivered.

And this is not just a claim. I think it's a fact that's visible in the numbers and in the business that we are running today. If I were to look at this year, I would think that this was a year of transition for us. We had leadership changes, board evolution, and a very challenging macroeconomic environment. But these are not small changes, so I won't minimize any of that. But I also don't want it to let it define the narrative

Because the narrative of FY26 has something very different. We didn't just hold steady, through the change. We actually moved forward. Our order intake grew 24%. We released new products.

We went to the market more aggressively. We won more deals. We included more AI deals than any other prior year. We also took on more AI models into production this year than ever before. On the board, I'm pleased to share that we have also added another independent director for the deepening the experience and perspective around the table. This is not the signs of a distracted business. This is a business that reset and kept building. And by that measure, this is one of the strongest years in the last three. And that was the original promise, and I think we have delivered it. I'm aware that we could have moved faster on the top line, and I own that.

But I also want to be very unambiguous about the growth. I think that is going to be my singular focus in FY27. On Q4, we closed the year with a 3% sequential growth. Full year FY27 total income came in at 6% YoY. It was broadly supported by interest income. We are growing, but we are not at the rate that I would have liked us to set. So, I'll be direct anytime that you ask that question of me. But one important context it's important to remember before I go deeper into the numbers. FY26 and FY25 are not clean like for like. If you remember, we exited noncore businesses last year. Which means that we are comparing against a different base.

If you split that out, the underlying picture is cleaner than the headline suggests. On profitability, our EBITDA is at 14.5% and PAT at 13.6% for the quarter. Positive EBITDA is 9 out of the last 10 quarters. Three successive quarters of positive PAT. That consistency does not happen by accident. It reflects three years of genuine operational discipline. And it gives us a platform to accelerate from, not just a baseline to defend. Our liquidity also strengthened by INR 70 crores over the year. And I want us to sit on that for a moment. Because this isn't a balance sheet footnote. It changes how we operate. We can now invest with conviction, move on opportunities from a position of strength, and stop managing defensively.

That is a materially different posture, and we intend to use it fully. And when I look at all of this together, the profitability, consistency, the liquidity strength, the 24% order intake growth, the AI traction, the quality of when. And then look at where our share price sits today, it's very disappointing for me, and I'm sure it is, for a lot of you. That the market has not really caught up with the business. So, I truly believe that the stock is materially undervalued related to our fundamentals and our trajectory. And I think that gap will slow, and we intend to close it by executing. The fundamentals are in place.

The pipeline is converting. So let me walk you through what that looks like on the ground. New logo in North Africa for our enterprise asset management solution. Our competitor accounts, we won back, for business assurance in Middle East. In my view, one of the clearest signals where our product credibility stands today. Customers don't come back unless the product has earned it. A new deal in North America for AI handset fraud solution on FraudZap. And a T1 operator in Africa who didn't just renew their managed services engagement, they expanded it into AI use cases. That last one matters because it shows

that the existing customers are deepening their relationship with us, and that's the leading indicator of where this business is headed. Three geographies, multiple solutions, and increasingly AI is the core of it.

We are also making sustained investments in GenAI based software development. We are embedding GenAI across our entire MCLC. It's to lift our developer productivity, accelerate releases, and raise the quality bar on what we ship. This is not just a one-off initiative. It's a structured investment in how we build and how fast we build. The compounding effect of it will show up in our ability to deliver to customers and to the market. And now on FY27, we are six weeks in. The geopolitical environment is complex, and I won't pretend that we are immune to it. But we are watching it with clear eyes. But here is what I keep coming back to. The pipeline is real. The market conversations are strongest that they have been. For the first time in years, we have the balance sheet to fully back our ambition.

We are going into this year on the front foot, not hoping for growth, but we are organized and resource to deliver it. So, I believe that the reset is done. The foundation is built and FY27 is where we will convert it. So next I will quickly cover the consolidated financial results for Q4. All the numbers are in INR. The revenue for the quarter stood at INR 72.96 crores as against INR 70.79 crores for the previous quarter. EBITDA for the quarter was at INR 10.58 crores as against INR 9.1 crores for the previous quarter.

Normalized PAT for the quarter is at INR 11.51 crores as against INR 7.68 crores for the previous quarter. And PAT for the quarter stood at INR 9.93 against INR 2.9 crores, including exceptional items in the previous quarter. And thank you for listening. I don't just base for your questions. I welcome them. So, let's get into it.

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 a 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. The first question comes from Mr. Ajay Doshi, an individual investor. Please go ahead with your question, sir. Mr. Ajay? Sorry, there is no response. The next question comes from Sanjyot Khare, an individual investor. Please go ahead.

Sanjyot Khare

Hi. Good morning, Nisha. I'm I audible?

Nisha Dutt

Good morning.

Sanjyot Khare

Hello? Can you hear me?

Nisha Dutt

Yes, you are audible

Sanjyot Khare

First of all, congratulations on a good set of numbers and good operational results. I mean, in last five years, I think this is one of the best results, as we have been in the company for a long time. And just my question is about we are seeing the sequential growth of around 3% in the revenue. And in last one year, I think company has got orders more than INR 150 crores mostly, in whatever the announcement was done by the company. And now is it really not converting into revenue? How or when it will get converted more into revenue? Is it because of whatever the geopolitical problems are happening and the orders are not getting delivered? Or closed for converting into revenue? And are we seeing that, at least for Q1, whether the revenue will grow faster than earlier quarters?

Nisha Dutt

Thank you for that question. I think it's right that we are entering the year with a strong backlog, first of all, and we also have a strong pipeline, and the order conversion that has happened. But the way our contracts work is, first of all, most of the wins that we have had last year, they are as much for this year, but they are also for the future years, right? So, we do have multiyear contracts. So, you have to see it in that perspective. There are two ways to look at it. It also gives us annuity revenue as we go into the future years. One is we are entering the year with strong backlog. The other thing is that for all the contracts that we won last year, we have started executing those.

So once we complete the implementation phase of our product, our subscription revenues will kick in, and that's when you will actually see a lot of uptick. But I do expect in the future quarters as you go through this year, you will see that as you move from quarter to quarter, our conversion will look better and better because that's how it works. Because as you get to the end of the implementation cycle, your revenue starts really kicking in. We are expecting to see an uptick on the back of what we won last year.

Sanjyot Khare

Sure. Thank you for that. And the second question about how this market situation now because of whatever the geopolitical things are happening.

Nisha Dutt

Correct.

Sanjyot Khare

And a lot of work Subex is doing in Middle East as well as the countries which are making impact in its vertical fleet. So that is one impact. And second, again, the AI impact which is coming up, and a lot of these companies, they're on shopping for OpenAI, are coming up with a lot of offerings which are complementing offerings given by some companies. I don't know how that is impacting our company's subjects. So, these two scenarios, how things are getting impacted for Subex.

Nisha Dutt

On Middle East, the risk is obviously, you know, it's first of all, it's very unpredictable. As, you know, all of us know that situation is changing on day-to-day basis. So, it's become a little unpredictable for us, and we do have quite a bit of exposure in Middle East. But that said, what we have done is that we do have a Middle East mitigation plan, right?

So, a lot of our delivery, for instance, has have moved our offshore. We have offshored our delivery already. So last time when actually, the world broke out, we moved a lot of resources offshore. And we are continuing to work with our partners. They are also very supportive in Middle East for offshore delivery models. So, to the extent possible, we have avoided the exposures and the work continues. We are doing it offshore instead of onshore right now. We are also going back, I think, to a corporate protocol. We are adopting some of the protocols actually and moving it. In some sense, we are able to mitigate it. I think there are two parts to the risk, right?

One is delivering on the project that we already have won. The second part is there, we can control it by offshoring some of it. The second part is, will you get the renewals that you were expecting? And, you know, will you still win a lot more in that market? So in that renewal, I think we seem to have a good control on the renewal part of the story. Because customers are still working with us. So, we are very confident that we will get the renewal. On winning the new businesses where we might struggle a little bit. Because it depends on how fast customers will move with allocating money to newer projects. So that's where a little bit of uncertainty comes for us as for, I think, everyone else. So, if I were to think about it, I would say that we have a strong mitigation plan.

The two of the three buckets are kind of, I would say, a lot more under our control or, we are able to exercise control unless it breaks out into a much bigger thing than it is right now. But currently, as we stand, we are able to control that quite a bit on the Middle East exposure. I actually think of AI, OpenAI as

a tail end, actually, for our business. We are what we call and, you know, for those of you who have been following, there is something called System Of Record SOR and System Of Intelligence SOI, right?

So, what we think of our systems, we think of ourselves as SOR, actually, where we are embedded in Telco. So, we are the system of records, and we are strengthening that. And we deal a lot more with qualitative sorry, quantitative data, right? So, what we are trying to do is, we are trying to build an SOI layer on our System of Records and trying to control that whole stack. For us, it's been a tailwind, actually. I don't see think of it as disruption. If anything, I think it's giving us newer tools to actually go out in the market and build our intelligence, which we were already sort of sitting on. So, I don't see it as a threat right now, honestly. If anything, we are very excited about what's coming because it's giving us productivity internally. It's helping us move faster. It's helping us build a lot faster. So, I truly think of it as, a boom on it so.

Sanjyot Khare

Oh, that that's great. And my last question is about as Q2 and Q3 of last financial year, we are seeing a lot of orders, one, I wonder, value of the orders was also high. In Q4, the it has gone down a little bit or the orders are reduced. And, yeah, it's obviously some delay in decision making or maybe what the things are happening. But how are we seeing, the demand for the services offered by Subex in other markets which are not directly impacted by the geopolitical? So, are we seeing that the traction is better and the things are moving forward? And things may get closed in Q1 and Q2? More deals may get closed in Q1 and Q2?

Nisha Dutt

Yes. See, the deals that you saw in Q3 - so what happens is that there are two types of, businesses that we do, right, or the deals that we win. Somehow, we call them as, you know, the blockbuster deals. So, some of the deals that you saw last year, for instance, you know, the one over 6 million or so, those are blockbuster deals for us. That's that they don't happen every quarter. But when they happen, they come with a big number, right? On a quarterly basis and on a business-as-usual basis, our bill sizes are in the range of, you know, a million, a million and a half. That's what you see typically. So that's the cycle.

So, anything that goes over a 2 million, 3 million is a blockbuster deal for us. So, you have to keep with that a little bit of that perspective. We continue to build in fact our backlog, like I said, right? Our backlog is very strong, and our OIN. When I say OIN, that's our Order Intake. Our Order Intake last year was 35% higher, actually, than any other year. So, we have done some amazing work last year. That gives us a strength of, you know, backlog as we enter the year. And we continue to see that momentum, actually, even from Middle East, I would say. Not just from other geography, even from Middle East. It's just that in Middle East, like you said, the deals are won, but sometimes what happens is not dotted and the deals are not crossed. So, at the end moment, there are some contracting delays that are happening.

But otherwise, the deal win is still there actually. So, I still think that we have a lot of momentum in the market right now.

Sanjyot Khare

That's great. And I'll come back in the queue. Thank you very much and all the best.

Nisha Dutt

Thank you.

Moderator

Thank you, sir. Participants have kindly request to ask two questions in the initial round and may join the queue for more questions. And the next question comes from Abhishek Kale, an individual investor. Please go ahead.

Abhishek Kale

Hey, am I audible?

Nisha Dutt

Yes, you are, Abhishek.

Abhishek Kale

Nisha what are our margins for the three service verticals?

Nisha Dutt

You mean the RAFM? Oh, no you mean the license and the?

Abhishek Kale

Yeah. We have categorized our revenue by three segments, right?

Nisha Dutt

Oh, yes, yeah. License and implementation and MS.

Abhishek Kale

Yep, what are our margins there?

Nisha Dutt

So, typically, license is highest. As you can imagine, that's typically, like, 100% purchase rate on license, right? 90%. very high margins on license. Implementation margins vary from project to project depending on what your what is the complexity of the project. But typically, I would say, implementation margins are also in excess of you know, they can be in 40%-45% range implementation margins. They can even go up to 60 depending on the complexity of the project. So, there is great variability in that license, sorry, in implementation component. Then MS is obviously, I would say, this is high quality revenue typically for us. So that's 50% plus on MS, and AMC is 70% plus on the margin. So that's typically the margin profile.

Abhishek Kale

Right. But then, Nisha, if I were to compare apples to apples from what you call as the margins, right? They are not translating into EBITDA for me I mean. If I take the weighted average of what how we categorize our revenues, right?

Nisha Dutt

See, that gross margin, what you would classify as cost. So, for us, that would take cost of goods sold or, you know, if you want to look at. So, what I'm talking about, these margins are typically gross margin, right? EBITDA is a off margin. So, it doesn't flow directly to EBITDA. There are, again, expense line items below your COGS line item, which is, you know, gross margin. And then you have some expense line items that then comes your EBITDA. So, there is cost sitting below that, and that cost is typically the cost of just to explain it for everyone's benefit, that cost is mostly like R&D cost, which is our engineering and build cost. It would be our GTM cost.

You know, all our sales, marketing cost goes there. It will be our G&A, like, you know, General and Administrative, lease expenses, all that. And after that, EBITA comes. So that's why you see that even our gross margins are pretty good, actually. By the time it goes down to EBITDA, we lose through the line items, that are kind of those are, you know, where you build the market and take it to market. So those line items are sitting below this gross margin. So that's the cost structure.

Abhishek Kale

So, can I say these are the operational items? And is there a way we can further take steps to optimize those costs? Is there an opportunity there?

Nisha Dutt

Absolutely, a lot of our operating margin EBITDA has come from optimizing those costs. Because that's the only leverage I have in the P&L. And we are hitting that cost, right? Cost efficiency. When I say AI is that I will use AI to develop my products and accelerate, that actually reduces my engineering cost, which is already, like, line item getting reduced effectively. So that flows down to my EBITDA. So, all the EBITDA improvement has happened because of this, controlling this. It's a direct thing. So, there is a framework for turnaround that we were following. And our framework for turnaround actually has this very strong focus on what our R&D. So, for instance should R&D be benchmarked at 12% or 15% of my overall cost? What can I benchmark it at? So, we have created our benchmarks, and we strongly operate on that.

Abhishek Kale

Okay. One more question regarding the margins. Is there a classification that you could give me for the margins for our old and new products? I mean, FraudZap, for example.

Nisha Dutt

You mean like the new products like FraudsZap and all that process of fraud?

Abhishek Kale

Exactly. And our legacy products that we have been working with the clients. And so that is my latest.

Nisha Dutt

All the legacy products, the ones that you see in MS and AMC are all legacy products, actually. So those margins we have discussed. In your margin, I'm a little reluctant to tell you that because it's competition sensitive on this call. So, I'm a little reluctant to --

Abhishek Kale

Okay, point taken ballpark number, taken --

Nisha Dutt

-- obviously, much better, Abhishek, because we have built it, with a lot of lower cost, right?

Abhishek Kale

-- perfect then that makes me happy. Another question, if I may continue. Conservative and stretch targets, the question that you don't like to answer mostly. Stretch targets for 26-27. Forward looking statement.

Nisha Dutt

Ramu is staring at me.

Abhishek Kale

Who? Ramu?

Nisha Dutt

The company is definitely staring at me.

Abhishek Kale

Yeah, I know.

Nisha Dutt

Curiously shaking his head that no forward-looking guidance.

Abhishek Kale

No. I mean, you read a phrase written whichever way is worth method, but (indiscernible 00:24:36).

Nisha Dutt

(Indiscernible 00:24:38) we do. We are entering the year with very strong backlog. We are entering the year on the transport, on the back of lot of wins last year. If I were to give any you know, without taking the numbers, if I were to give any guidance, would say that as team as everyone here, we are actually very bullish right now. So, we are very bullish in this year. And I feel that, you know, by all benchmarks, we should beat everything that we have done this. So, you know, we are we are going in very unless something --

Abhishek Kale

I have three more questions. Sorry?

Nisha Dutt

So only one thing is trust the process. I think it has given us a lot of results until now, so please trust the process.

Abhishek Kale

Okay. I have three more questions. May I squeeze those in, or do I have to come back in the queue?

Nisha Dutt

I think your turn will come very quickly, so you can come back in with queue?

Abhishek Kale

Okay.

Moderator

Thank you, sir. The next question comes from Ajay Doshi, an individual investor. Please go ahead. Mr Ajay, please go ahead with your question, sir.

Nisha Dutt

I think he has a problem with his line meeting.

Moderator

Yes, ma'am. There is no response. Dear participants if you have any questions please press, * and 1, on your telephone keypad. The next question comes from Mehul from 40 cents, please go ahead.

Mehul Panjuani

Hello, ma'am. Thank you for the opportunity. I'm new

Nisha Dutt

Hello.

Mehul Panjuani

Tracking this company. I have two questions. One are into the software development.

Nisha Dutts

Mehul we are not able to hear you clearly, actually. Your voice is breaking. I'm not able to hear you very clearly.

Mehul Panjuani

Is it better now? Hello?

Nisha Dutt

Yes, please speak. Let's see if we are able to hear you.

Mehul Panjuani

Is it better?

Nisha Dutt

Yeah. I think so.

Mehul Panjuani

Hello, is it better now?

Nisha Dutt

I think so.

Mehul Panjuani

Yes, ma'am. Hello?

Nisha Dutt

Yeah. I think so.

Mehul Panjuani

Yeah. Am I audible now?

Nisha Dutt

Yes. You're audible.

Mehul Panjuani

Ma'am, I just want to understand what are the products which we are operating? I mean, what are the products which we are serving our customers? I understand that we are mainly in the Telecom sector. But what are the products and what kind of services? I mean and, also, what is the split between product and service revenue? That is my first question. I have another question, yeah. First, I'll let you know. Yeah. Go ahead, please.

Nisha Dutt

For products, we mainly have three or four products. So, one is Revenue Assurance. Then we do Fraud Management solutions for Telcos. So, we you're right. We typically, you know, only serve Telcos. Revenue assurance is basically protecting revenues for Telcos. Fraud Management is helping them detect and, know, fight fraud. That is why we also use a lot of AI actually. The third one is, you know, partner settlement system, which is really wholesale billing.

We do wholesale settlement billing settlements for Telco. And the final one is Enterprise Asset Management, which is essentially, you discover assets on a Telco network, and you kind of reconcile that with their fixed asset registry. So that's primarily the four products. Obviously, we have embedded our AI and injected it into our product portfolio. But where we see the strongest need for it is actually in fraud management and revenue assurance.

So, fraud management also because you are seeing the fraud grow on your phones today, right? The WhatsApp fraud to call fraud, to link, click on the link, phishing. So, a lot of fraud sites are now digitally evolving. Because the attack vectors are increased with the number of devices that we use this way. So that is primarily our portfolio. And we are a product company. We build products, and we sell products. And our service revenue is around the products that so we only our products. We are not a general SI

System Integrator that goes and services any product. We do services only around our products. I hope that answers your question.

Mehul Panjuani

Yeah, that answers. Follow-up question is that you mentioned that mainly, you are providing Fraud Detection solution. So how does it work? Because let's say I am a Telecom customer with Jio, for example. And, you know, so where will your product sit? I mean, I just want to understand because, you know, I will be using Jio, but somebody calls me and then there's no control. Who is the guy, who's calling me and what kind of fraud he can do. I mean, he can ask me for a PIN. So, I'm just trying to understand how does it work. Maybe I've given a wrong scenario, but there may be some scenarios where your solutions work. So, I just want to understand.

Nisha Dutt

Fraud is a ever evolving landscape, right? I will kind of, answer a little bit, but I think if you are interested in really understanding the product portfolio and what we do, then I would also say, that maybe, you know, you should kind of look through some of our collateral. Very quickly, if I were to answer, I would say that our system sits deep in Telco, right? And what they do is they look like so we can solve things like, you know, SIM swap, Wangiri fraud. Now the fraud that you are talking about, for instance, a WhatsApp fraud, these are all digital frauds that have evolved, quite recently, actually. This is the legacy on this is not very high. And there are solutions that are targeting, you know, solving some of these things.

So we build solutions to see if we can, you know, help Telcos fight some of these frauds. Now will all Telcos use the same solution? No. Because depending on what a Telco's infrastructure is, the solutions also vary. But our point is that we are helping them fight quite a bit of fraud actually in the system. So, an occasional call that comes to you or a WhatsApp call, it's not to say that, you know, because somebody buys our products, there will be no fraud in that network. Fraud is evolving actually very, very fast. Fraud is a very fast evolving field, right, from deep fakes to account takeovers. It's actually moving at a very fast pace. So, this is something that we have to be constantly on top of.

Mehul Panjuani

Right. Ma'am, how much does your revenue come from top 10 customers?

Nisha Dutt

I think about 60% comes from the top tier customers. That's generally the key part.

Mehul Panjuani

60%, is it?

Nisha Dutt

Yeah.

Mehul Panjuani

Oh, okay. Is it possible to know your key clients, your key customers?

Nisha Dutt

I think we already disclosed it in our investor presentation, actually. So, our investor presentation has the logos that we are working.

Mehul Panjuani

Okay. I'll look into it. And last question, ma'am. Because, you know, mainly, whatever little I did check. I just checked Subex numbers today itself, so I don't know much. But what I understand is that there is no promoter holding. So, who is the largest shareholder in this company? Who are the key shareholders, I mean? Just trying to understand

Nisha Dutt

No. That's true. We don't have promoters. We have a very diverse shareholding. And our bulk of the shareholding is retail investors. I mean, our capital is pretty diverse from that perspective. So, it's primarily retail shareholding.

Mehul Panjuani

And what kind of shareholding does the management have? Because that is all you guys should have skin in the game, right? Otherwise, there's a kind of a.

Nisha Dutt

That's correct. So, the board has taken a cognizance of this task that has come up repeatedly, actually. So, our management does have ESOP. Every time that the ESOP pool becomes available, we are trying to kind

of increase the shareholding of management consistently. But the way management holds stocks today is through ESOPs.

Mehul Panjuani

Through?

Nisha Dutt

ESOPs.

Moderator

Thank you, sir. The next question comes from Abhishek Kale, an individual investor. Please go ahead.

Abhishek Kale

Hi. Nisha.

Nisha Dutt

Yeah. Yes, Abhishek.

Abhishek Kale

What's the progress in onboarding our HNI investors and MFs?

Nisha Dutt

Abhishek, (indiscernible 00:34:18)

Abhishek Kale

I one road for Arihant capital. Okay. I'll come back again.

Nisha Dutt

Your voice is breaking a little bit.

Abhishek Kale

Is it better now?

Nisha Dutt

Yes. Yeah

Abhishek Kale

Okay. So, what's our progress in onboarding HNI investors and MFs? We did one Arihant capital presentation. But after that, have we received any kind of a response from any HNIs or larger?

Nisha Dutt

We have had some conversations, but not yet, actually. I mean, I don't have them on the cap table. But what we are going to do is that we do have a plan to actually hit the road. And that is this quarter. So, we are going to hit the road, we are going to do start presenting because I think now, we have the results, know, with us. So, we are going to hit so this quarter or this year, a lot of my focus is going to be to see if we can improve the cap table right now. But this quarter onwards, we are hitting the road, actually. We'll present to PMS and that's so we are going to meet a lot of people.

Abhishek Kale

I think this is more of feedback. I think when we sign our deals, right, in the exchange announcements, we disclose what is the likely order size and the tenor for the order right? But if we can include milestone payments, right? So, this is when we see that these milestones would be met, and this is the likely percentage payment that we are likely to receive. For us, the 6 million deal, let's take that. It's a five-year deal for us, right? But I don't know how and when am I going to get the revenues, right? So, it would make a lot of sense for investors to understand milestone-based payments as to when we receive how much. I mean, ballpark is fine, but I'm sorry.

Nisha Dutt

No, I think that might be challenging only because, contractually, we are bound by some, you confidentiality issues with the customers. Because I think we need to make disclosure. We have to make sure that the customer is okay with it. So, I think, contractually, I'll have to check. I'm not sure if we can do that, actually. Contractually, they will not agree to this. And, also, it's somewhere a little bit competitive information, right? How we structure our contract, how much of it is front loaded versus back loaded. So, some of this falls into that competitive sphere.

Abhishek Kale

I mean, without breaching the contractual obligations and without having to disclose to our competitors what we are. I mean, if there is any, rough idea that we can get, if possible? It would be a great help. And, another question is on the goodwill write off. Is that past history done? What have our auditors said on that? Because, I think two quarters back, you had hinted that, we may have to look at the goodwill on our books, INR 190 crores plus amount. So, what's, happening?

Nisha Dutt

So, basically, it's an annual exercise. An impairment exercise is an annual exercise that we do. And, you know, Q4 being the balance sheet quarter, it has to happen. So that is why I had indicated earlier that we will go through that balance sheet exercise. So, we have completed that. And our auditors have concluded that, you know, the carrying value is fine right now, and there was no need to invest, actually, any of their investment. So that has also given us a lot of forward and positive momentum because the goodwill value is compared against your current performance. So, they also felt that there is absolutely no need to invest this right now. So, I think in that sense, it's been a good outcome for us.

Abhishek Kale

Perfect. One last question. It's about our board. Is the reorg complete? And have we received any initial feedback from the new members of the board? From their vast experience in this field as to how we can better our products, offerings, or approach, on the sales side? Any inputs of that nature?

Nisha Dutt

Actually, they are very, very engaged board. So, it has been an extremely engaged board. And we have received a lot of feedback. This a very different board because the ones we came in, the first thing that they asked us for was for tech deep dive. So, they said that they wanted to do a tech deep dive, and they had to organize, two sessions just taking them through our products and look through the demo. They have given us feedback not just on how we can build better. But they have also given us feedback on how do we do GTM better. How do we take our products to market better. They understood how the AI agents work. So, I think in that sense, it's a very -- if I were to use the word switched on, right?

They are very switched on. And we were we just went through our AOP and budgeting cycle for Q4, for FY27. And in that, also, they were very pushy with us. So, all the clients that we presented, they really pushed the management to keep asking, why can't you do better than this? Shareholders are waiting for some better results. Why can't you do better? So, there is a lot of, I would say, good push that came from them, which genuinely made us rethink our plans and we kind of represented to them. So, it's been a lot of push. It's been a lot of good feedback, and I think they're also holding us accountable. But I would say

more importantly, they are very fair. And, you know, and so far as my expectations or my interactions go, they have been very fair as well, to all of us. So, it's a very engaged one.

Abhishek Kale

Wonderful. And one last question. With the recent announcements which PM made wherein the he's asked us has most people to try working from home, right? If a significant portion of our employee group, right, temporarily at least works from home, would that impact our operations by any means? Because we would have had this situation in COVID era. So, would that impact as to how we function as a team?

Nisha Dutt

Honestly, we already are working in a hybrid mode. So that never went back to five days a week in the office. We don't work five days a week. We actually work three days a week, and two days people work from home. So we are already on hybrid, and we have plenty of experience managing employees and sort of, you know, employees doing their work in some sort of a hybrid mode. So that does not bother us as much as it might bother people who call employees full time back to office. But, you know, my personal philosophy in this has always been that you need to have a high trust environment. If you can't trust our employees to actually do right by us no matter where they are sitting, then I think we have something wrong and broken in our system.

So, for me, you know, I like to work in a high trust environment. And we will navigate as it comes. But honestly, I don't worry too much about it. We have a very good set working with us.

Abhishek Kale

Wonderful. Thanks. That that is all from my side, and, my best wishes for continued success. Thank you.

Nisha Dutt

Thank you, Arjun.

Moderator

Thank you, sir. The next question comes from Mahesh Kumar, an individual investor. Please go ahead.

Mahesh Kumar

Good morning, Nisha.

Nisha Dutt

Good morning, Mahesh.

Mahesh Kumar

First question is this quarter, we announced one deal for fraud gap. Now with this deal, how many have paid customers we have for fraud gap? That is first question. Second question, around three quarters back, we have made announcement of team of LLM for fraud management and fraud detection. So, do you have any paid customer for this team of LLM?

Nisha Dutt

Sorry, I didn't get second question, Mahesh.

Mahesh Kumar

See, a few quarters back, I think three or four quarters back, Subex has made announcement that they have launched a product which is made of team of LLM for fraud detection.

Nisha Dutt

Are you referring to FraudZap? Because that's the one we launched, actually.

Mahesh Kumar

FraudZap that is a different one. There was a one announcement also regarding team of LLM.

Nisha Dutt

Team of LLM. Oh, yeah got it.

Mahesh Kumar

So, you have some announcement, and then some POCs were going off for that. For that particular product or solution, do you have any paid customer now?

Nisha Dutt

So, on FraudZap, see, we kind of built the product. We did POC, and we launched it. And we got the first paying customer all within a year, so it's early pipeline for us. So currently, if I think about it, it's one paid customer. But on the back of that customer has three Telcos. So, it's one customer to us, but at the back I mean, the contract actually has been both Telco participating in it. So, if you think about it, the product is actually embedded in. So that is how the you know, so it (indiscernible 00:43:47).

Mahesh Kumar

Last quarter, also, you had announcement of a paid customer for a FraudZap. And this quarter also, there is announcement.

Nisha Dutt

Yes. That is the three customers, actually. Because what's happening is that we are working through -- how do I put it? So, we are working through an intermediary who keep onboarding, newer Telco. So, we had onboarded a Telco. Now we have, for instance, three Telcos. So, the Telcos are onboarding onto the product. So, every time a new telco onboards on the product, it becomes a new customer for us. So currently, from that perspective, we have three customers.

Mahesh Kumar

Three. Okay. For team of LLMs?

Nisha Dutt

So, team of LLMs, right now, actually we are in POCs. We have actually completed the POCs. We are in conversations with at least, two or three customers to make it commercial now, actually, in this quarter. We should be making it commercial. The one challenge that we are running into slightly on team of is the hardware challenge because it requires some GPUs. And most of the customers, as you can imagine, are a little reluctant to procure GPU, and especially in Middle East because they don't want to make any hardware investments right now. So, the product is ready. The POCs are done. They want to sign up with us. But, you know, the GPU is -- the hardware is becoming a little bit constrained right now.

We are we are also finding a way around it for instance. We have figured out a way that we could probably do an agent in a box kind of a model. So, we are also trying to see if we can make agents work on CPU instead of GPUs. So that's the technical challenge that we are wrestling with even as we speak. So that has been a little bit slightly, delayed for us from that perspective. It's not because the interest is not there.

It's not because the customers are not willing to pay for it, but hardware is a little slight challenge. You know, we are challenged from that aspect.

Mahesh Kumar

And what will be the impact of Iran war on our business? Because we are mainly focused on Gulf Region. 31% of the revenue is coming from that region.

Nisha Dutt

We do have quite a bit of revenue coming from that region, but APAC and Europe is also very strong for us, actually. So, I think APAC and Europe remain steady. We are going to invest heavily into Americas this year and see if we can bring it back up. Africa also is seeing momentum. Middle East, no doubt, will have some impact.

But the way we are trying to mitigate is that on the all the implementation, all the projects that we have already won, I just mentioned it to Sanjyot as well, that all the projects that we have already won, we are trying to offshore those projects and see if we can deliver them from here. And customers are very supportive of that given the situation. So, most of the resources, we have actually moved them out of Middle East back to India, and we are now delivering from Bangalore, most of it. In terms of contract renewals, we don't see a major risk. Unless it blows into a much bigger war. And, in terms of new decisions or new purchase decisions, that's where we see a slight risk of customers delaying decisions. So, that may be a slight risk there. So that's where we are.

Mahesh Kumar

Okay. I will join back with you after.

Nisha Dutt

Thank you, Mahesh.

Moderator

Thank you, sir. The next question comes from Jitendra Bhuthoria, an individual investor. Please go ahead.

Jitendra Bhuthoria

Good morning.

Nisha Dutt

Good morning, Jitendra.

Jitendra Bhuthoria

So, I would like to ask you, we had closed our sectorial business. Now there were certain receivables for which we had filed, and we were trying to take some steps for recovery of that. So, what is the status of sectorial as of now? Has it been closed? All contracts were closed. And whether those receivables which (indiscernible 00:47:36).

Nisha Dutt

Sectorial contract, one is closed.

Jitendra Bhuthoria

The other one?

Nisha Dutt

Yeah, please go on.

Jitendra Bhuthoria

The other one, which was pending. And secondly, what is the status of those receivables from this earlier contract, which we closed and we had, written off some good amount of money?

Nisha Dutt

So, there were two major contracts. One is closed. In fact, we are, kind of it's almost final contracts and liabilities we are closing, actually. So, from my perspective, consider it closed almost. The second one is where there are also receivables. There, we have decided to take a legal route. So that's where we will go, down the legal path, and we will try to engaged we have engaged a lawyer, and we are going to go down the legal path and see if we can do some recovery there or arbitrate with the end customer. So those receivables will take some time because we are going down the lawsuit path on that.

Jitendra Bhuthoria

The one which you are talking about, which we have already written off, that receivables or the contract which --

Nisha Dutt

No, the one that we have already provided for. So, we have already provided for it last year. So, yes, so there is no risk to anything. We have already provided for it in the book. In fact, if anything, if we are able to, settle this, if we are able to recover money and I'm hoping that we recover all of it. But through arbitration, whatever recovery comes, we will sort of offset, our provisions against the income tax book. So that's how we will offset the provisions.

Jitendra Bhuthoria

-- and my next question is regarding the revenue. We find the revenue and stuck around 70, 72 quarters. When could we expect these revenues to grow exponentially?

Nisha Dutt

I think in the back of some contracts that we won last year and (indiscernible 00:49:37) as our implementation cycle start come finishing I would say by middle of this year and all that, as the implementation starts coming to a close, provided there are no delays, the revenue update should start at the back of it.

Jitendra Bhuthoria

So, your, vision that our target of INR 100 crores per quarter, when could we expect?

Nisha Dutt

Inshallah.

Jitendra Bhuthoria

Right. That's great. That is that is a point where the glory of Subex will lie. You can understand.

Nisha Dutt

Oh, that's no. That's my war cry internally as well. That is my war cry to my team that we have to get this INR 100 crores. So absolutely. I think this is the year we go for it.

Jitendra Bhuthoria

Are we looking for any acquisitions in organic? Or how do you want to proceed with the amount of cash which we have now? At least we can take some sort of a risk for our products.

Nisha Dutt

Oh, absolutely. So, if I were to kind of put some cash aside for our working capital, if I give myself six months runway and all that, I still have about INR 50 crores sitting on the balance sheet, plus we will also generate cash through the year, right? We are wanting to go back and look at some potential base of, you know, seeing if we can do some tuck ins this year. So that is actively a discussion that we are having with the board within the team. So that's definitely on the cards. We'll be looking at some opportunities.

Jitendra Bhuthoria

So, are we doing anything with OnGrid investment, planning to increase or dilute or divest? What are the valuations?

Nisha Dutt

OnGrid, no. Because OnGrid actually is doing very well right now. Because every year when we complete the year, we obviously look at -- you know, we ask for ask them for their P&L and balance sheet. So, it's actually everything really good for them. Since they are doing so well, my investment in them is doing well. There is no good reason for me to exit right now.

Jitendra Bhuthoria

That's absolutely correct. If the company is doing well, are we planning to add some more investments into that, or are they just holding on put what are we in there?

Nisha Dutt

Actually, I would rather reinvest back into our portfolio. Here are more opportunities for me to grow my money than to put it outside and I would I would rather take a bet on my team than take a bet on some other team.

Jitendra Bhuthoria

So, at appropriate time, we will be divesting on there?

Nisha Dutt

Oh, yes. When we need the money. Honestly, today, don't need the money, right? So, I don't necessarily need the money in that sense. I think let it grow there. It's a good bet for us, and we have enough cash to invest in our business. So, let's just blow back. We have enough bets that we want to take internally. We are excited about agents. We are excited about, some of the things that are coming up for us. So, we want to go back, more bullish on those areas. We'll take our own bets.

Jitendra Bhuthoria

So, our revenues are mostly in foreign currencies. Are we being benefited out of this rupee appreciation? Because our expense is mostly India based.

Nisha Dutt

We do.

Jitendra Bhuthoria

How does it help?

Nisha Dutt

Obviously, when we measure our performance, rupee depreciation helps us only because most of our contracts are in USD. You know, foreign currency. So, rupee depreciation from that perspective does help us. But because some of the geographies where we work, their currencies are also in high fluctuation. So, on every contract, when we are winning new contracts or when we are in negotiations with new customers, one of the key points that's coming for us is that most of the customers now want to work in their currencies, which we don't want because, obviously, you know, the exposure for us is high.

If the other currency is also equally, fluctuating, then I cannot take that currency exposure. So, the tricky point becomes so often for us, I do they have the USD to give us or not. Can they do dollar contracts. That is also slightly delaying some contract negotiations and all that, but we are sticking to our ground. For us, I think, to the extent possible, we are only doing our GDP, USD, and euro contracts.

Jitendra Bhuthoria

That's great.

Moderator

The next question comes from Ashish Kothi, an individual investor. Please go ahead.

Ashish Kothi

Good morning, ma'am. Thanks for the.

Nisha Dutt

Good morning.

Ashish Kothi

Hello? Can you hear me, ma'am?

Nisha Dutt

Yes. I can hear you, Ashish.

Ashish Kothi

Yes. Ma'am, I have a question. basically, with regards to our focus majorly on the fraud management on in Telecom. With more and more consolidation happening and with Starlink and where competition would get more severe for smaller players. How exactly, Telecom would be enough for us?

Nisha Dutt

So, obviously, Telco is our bread and butter. We are deeply embedded. We have I would say, we have around 125, 130 customers, active customers. We have very low churn. I have 80% of all G-1 customers. So, that's why we have a lot of strength, but that does not prevent us from looking outside. You know, it does not tell us that, we should not look outside. There are sectors or areas where our revenue assurance and fraud management might be horizontally scalable. And this is where we are actually looking at seeing if we can get into this area. But on your question on Starlink, even our customers are actually signing up with life of Starlink.

So Telcos are also investing aggressively and getting into hybrid phase right now. So, Telcos are not the Telcos of, you know, old school Telcos anymore. They are also taking a lot of bets and getting out. I think in that sense, it gives us a horizontal expansion opportunity. But more than that, we have asked us also aggressively looking at some very high growth areas right now, which are I would say, high growth, high time. So, we have identified a few areas that we are starting to take a bet on that. We are going to start experimenting with some of those areas, take our products, look for fitment. You are right. I mean Telco is not the only pay that we will have. So, we are also hoping to cautiously expand into something else.

Ashish Kothi

Could you be able to throw some light on, areas which you are exploring? That is one. Second, within data centers, whether, our fraud management systems, has any role to play? And whether on electricity side, whether we can kind of port our fraud management system?

Nisha Dutt

Data centers are definitely a good place. That's because data centers not just need fraud management. Actually, I would think revenue assurance is a bigger player in data centers, honestly. I think in that sense, data centers are something that we are starting to look at carefully because it's also a very high growth industry right now, right? It's one of the highest growing. It's almost data center is a new infrastructure. It's like when Telcos grew last time. It grew on the back of Telcos expanding massively, and we now see the same movement happening around data centers.

It's building a new infrastructure altogether. And I think in that sense, it becomes a very strong consideration for us. In terms of electricity and all that, personally, we are a little bit reluctant to go into utilities, pure utilities kind of space. Because receivables and, you know, the decision cycles are very long. They are very slow, and receivables and other things become very problematic with utilities. So those are not areas my product can possibly work in those areas, but utilities are something that we actively stay away from water, electricity, etc.

Ashish Kothi

And, ma'am, our all our revenues are totally 100% on subscription model only?

Nisha Dutt

No. It's not.

Unidentified Company Representative

It lightens implementation and support. It's not 100% subscription.

Ashish Kothi

But in terms of sales, I'm not talking about, operation and maintenance. I'm talking purely in terms of sales. All our revenue is in terms of subscription model, or is it, product sale also still?

Nisha Dutt

No, we do sell and we do the license. Right? So, we sell our product. We recognize some license revenue, and then we do implementation of the product. We get implementation revenue. And that's when after the implementation is over and customers achieve what we call, you know, as go live, which is our product is live and working in their system, that's when it moves into what we call support contracts. Either you know, that's the subscription part of it. So, it moves into support, which is, you know, it can be an AMC. It can be an additional managed service. So, support contracts taken after that. So that's the subscription piece of it. So, there are three distinct pieces to how the revenue moves for a customer.

Ashish Kothi

I thank you for that. But then if the revenue mix can be broken down into this different head, then, you know --

Nisha Dutt

It already is. That is how it's broken up, and I was telling Abhishek also earlier on the call. That's exactly how it's broken up. You will find it as license implementation. You'll find MS, and you'll find AMC. So, MS AMC is the subscription. If you want to think of it, you know, as subscription, MS AMC is the subscription bit. The license implementation is the product part of it. If that helps you.

Ashish Kothi

-- okay, ma'am. I'll come back in the queue for any more question. Thank you.

Nisha Dutt

Thank you, Ashish.

Moderator

Thank you, sir. The next question comes from Mahesh Kumar, an individual investor. Please go ahead.

Mahesh Kumar

Nisha, in multiple past investor calls, you have been mentioning that your first priority is to take the ship out of storm. So as on today, is the ship out of storm? That is the first question.

Nisha Dutt

Yes.

Mahesh Kumar

And second question, if the ship is out of storm, what are the new growth engines that you are trying to put in place which will do at least more than 10% growth? And third one, since you are focusing on data center, why the data center companies who are also software companies, also services companies will use your product? Rather than building that in house? These are the questions.

Nisha Dutt

Fair question. So, ship out of the storm, I think that, you know, every time we think they are out of the storm, a new one looms. But I would say, that in terms of overall direction, like I said earlier also on you know, when I was giving the initial opening remarks, I truly think that ship is out of the storm. In that sense, the first part of transformation, I think we have delivered. So now our focus has to be on growth because -- and we have a balance sheet, actually. So, I think in that sense, the fundamentals are back in place, right? So, when fundamentals are in place, I can confidently say that we are on our way now. So that gives me confidence that we are over the work. Second part of your question is asked about data centers. So, data centers are something that we have

Mahesh Kumar

Growth engines.

Nisha Dutt

Sorry?

Mahesh Kumar

What are the growth engines?

Nisha Dutt

Growth engines are kind of. Our growth engines broadly come, I would think of it as four categories, right? There is a traditional telco play that remains for us. Telcos themselves are becoming tech force. So I think, like I was saying, that there are horizontal expansions with Davies, Income, by Starlink, and all that. So there's this is a horizontal expansion. There is TAM there. Then there is a new thing called Agentic in house and MS replacement, right?

So, wherever they have MST, all Telcos have a lot of managed services team. So, wherever they have managed services, we can actually go and place, you know, Agentic AI and see if we can replace or, you know, reduce their managed services team. That is a very different plan. The third is the new age leakage vectors So Fraud Wrap and all that control those new age leakage vectors like social engineering, B2B, SMS fraud, account takeover. So, we have built a suite of products that can now address the new leakage vectors. And the final one is Telco adjacencies. That is where the mobile money fraud, MVNO, IoT assurance, you know, Telco FinTech, data center, all this comes into telco adjacencies that we are strongly looking at. If I actually look at the TAM, this is 4.3 million of TAMs that did not exist even two years ago.

So, a new TAM market has opened up completely for us. I actually think that the pay for us is quite big, and these are the exact levers that we are going to answer our business off. And all of this is quite fast growing, right? None of this is a global market anymore.

Mahesh Kumar

And what about data center? Why the data center companies will use your product? When they are themselves having huge software teams to build it?

Nisha Dutt

I think that goes without saying, right? One thing is you should remember that wherever our products are, Telcos uses for scale, right? So, we shouldn't forget that there is a one is scale. One of the Telcos that we work with, and this is not an isolated example, we process, like, 120 billion records a day. A software is not just a software. You it has to work at a certain scale. And we have production grade software that works at a very huge volume, rate and scale. I think that's one good thing that we have going for us.

The second is on some of the products like revenue assurance and all that, even Telcos has huge

team. Why do they still use that? Use us? It's because it is a maker's checker system, right? You cannot actually make your revenues and also check it. It's like auditing, pretty much, right? They use auditors because I cannot report my, revenues directly to you unless an auditor puts a seal and says, "I've seen it externally", and it's true. A lot of our software is also, I would say an audit, kind of a compliance kind of a requirement, right?

And the third piece is domain knowledge. That is very specific to solving fraud. Domain knowledge doesn't build overnight, we have cut our teeth for three 30 years in it, right? We have seen patterns across 30 years across Telcos. No individual Telco can beat us. I know the hard patterns across 100 plus Telcos. Can anyone Telco team come and beat that? You know, they cannot. And that's exactly the reason why people continue to buy it. And I think it is these are the times, you know, kind of skill set. No.

I'm coming to the data center question as well. Because that is the kind of skill set that has put the test of time in Telco. And we believe a lot of it is actually horizontally scalable because it's the same stuff when you actually go into data centers. They still need revenue assurance, test and baker, checker, auditor kind of thing, right? So, they will still continue to buy from outside. We have to see if we are the people who actually go and sell this thing. So, I mean, that's at least our thought process. And it's not about code writing, right? If you could just win this by having a team of developers, then I think everyone could just enforce all this.

But that's not what it is. You know, patents evolve over a time. You need someone who's watching it across Telcos, across data centers. And, you know, can bring those patents into the product and embed it and put it in your system. So that's where we think our play will be. Like, again, I said that, you know, we have not honestly gone into the market on data centers yet. This is one of the adjacencies that we are considering strongly. For instance, you know, because we can solve fraud problems, people are starting to use us for mobile money now. Why? Because I can solve fraud, actually, essentially, and mobile money sees a lot of fraud. So, we are already seeing that our products are horizontally scalable.

So that's the bet, actually. Data centers, again, you know, I don't want to give anybody an impression here that we are working with data centers and all that. We are starting to consider it because that's a definitely a very strong growing sector, and, you know, it's building the, I would say, the next layer of infrastructure in the world. So, it's very natural for us also to see if, there is a play for us. And that's something we are strongly considering right now.

Mahesh Kumar

But do you still want to go back into IoT assurance again? Because we have existed that business recently.

Nisha Dutt

We actually never did IoT assurance. The sector was industrial, you know, security. It was never actually an IoT assurance business in the first place. So I think, you know, there seems to be some confusion. And IoT assurance is actually a set of controls, which are RA controls. That set of those are Revenue Assurance controls for existing Telco. We already do that, and we are wanting to, you know, expand that business within our existing Telco. So IoT assurance is one of the assurance businesses for our existing RA program, you know, our portfolio, actually. It's not a different product line.

Mahesh Kumar

I have a last question. See, Subex is very proud of its domain knowledge, then data it is having, the patterns it has learned over 30 years' time. So, if that is the case, I have a fundamental question. Why we are not building a Mythos type of model ourselves?

Nisha Dutt

You guys have to believe in us more. I want anthropic level salary. USD 100 million is what we need to build Mythos. So that's what it is.

Mahesh Kumar

That cost is in The US. India cost will be much lesser than that. See, take Mahindra MD told. Yeah. I will build that Chat GPT kind of thing in USD 1 million dollar.

Nisha Dutt

See, there is a --

Unidentified Company Representative

Mahesh, I wish to be. We could actually because that's what excites us also. This is not shy here. But what we are doing with our domain, I mean, I won't I won't take the Mythos example, but I will take the Claude's skills and plug ins. I'm sure you are familiar with that. So, in our context, our agents are equipped with, you know, proprietary skills, which is our domain knowledge. I mean, you can kind of think about it like that. So only we can provide that skills. I mean, there was an earlier question also about LLMs. So LLMs that lot of OpenAI can build, but the proprietary skill we bring. And that is why our agent can, you know, investigate fraud much better than any human, or any other agent. Because we have all these patterns which we bring or render in the form of a skill.

Mahesh Kumar

That is that is what we are using AI to build services or solutions. That approach.

Unidentified Company Representative

Our agent has a product because it's a position as a independent product stack for which we sell, and we cannot get again license revenues like was already discussed.

Mahesh Kumar

See, because what is happening, nobody thinks Subex is a AI first company. This is the impression in the market today. See, there is so gung-ho about AI across the world, but nobody is considering Subex as a AI first company. I want to bring that impression by such a development to that it is a AI company.

Nisha Dutt

And it's a fair point. It's a fair point. I will take this as feedback. I think we have a lot more work to do on messaging them. And we will make sure that we do a lot more work on it. So, it's a fair point. I kind of take your feedback on that. But that's not to say we are not doing the work, Mahesh. Sometimes, the messaging has to be like --

Mahesh Kumar

Now if you see this Anthropic and all those, they are building the technology. Building the model is a technology. What Indian companies are doing, using that model, we are building the services and solution. So, if Ruchir Sharma, who is the investor, he told India has lost the Airbus. If you see his interview, every year he gives this what are the trends he is like, we are likely to see in 2026. He told Airbus India has missed because Indians are not innovators. They are good at, followers.

Nisha Dutt

But I think, I kind of have a slight disagreement with that position because it's like saying that deep research is the only research worth doing. A lot of India's growth has also happened on the back of applied research, right? You don't need to be a deep researcher. The deep research requires deep pockets and deep money, which I don't think Indian market has today. Maybe that kind of, you know, muscle. The muscle rely, you know, is still sitting in Silicon Valley. So, they are doing deep research. They are coming up with fundamental model. That does but that does not stop us from actually taking what they have built and applying it to our domain.

So, I would say that we are the applied research companies, right? And there is nothing wrong with it. There is actually it's hard work. It's difficult work to do even applied research. And I feel that if India and if companies like Subex can actually do that well, then we would have also, you know, won a major battle, actually. So, I almost think of it like that. But, you know, our AI can work at massive scale. So why should we kind of think that we have lost the race? I actually think the race is just beginning now.

Mahesh Kumar

See, now what happens? You were saying --

Nisha Dutt

The forefront of it I will get to win it. So, I have a slightly different perspective from Richard on this.

Mahesh Kumar

-- no, see, what happened you were saying the hardware GPU is a issue for team of LLM.

Nisha Dutt

Correct.

Mahesh Kumar

Out of box thinking would have been, why can't we use neuromorphic to implement all this team of LLM? Your cost will come down drastically, and you will have a patented solution.

Nisha Dutt

Why can't we use what, sorry?

Mahesh Kumar

Neuromorphic processor.

Nisha Dutt

Neuromorphic processor. So, see, we are actually looking at, in fact, boxing it into pretty much a lock laptop size right now, our agent, so that, you know, we can just take our laptop, walk into a customer's side, plug in, and start playing from there. So, we are also so it's not that we are not thinking through that

process. When we hit that roadblock of GPUs, we are not going to not push our agents in the market because some people don't have the wherewithal to buy GPUs, right? So, I'm going to come up around the process.

Mahesh Kumar

GPU will be challenged by the neuromorphic. Because neuromorphic is basically AI at age.

Nisha Dutt

We are actually working with CTUs. I will look into what you're saying, definitely. But my point is that, you know, it's a neural structure, right? So but my point is that we are not sitting with the challenges. We are actually, you know, breaking through it and seeing that can we make our agents work on CPU? Can we do it on literally on a laptop?

Mahesh Kumar

AI agent with laptop is a traditional method of solving the problem. If you want a innovative solution, you should look for new computing architecture like neuromorphic.

Unidentified Company Representative

So, Mahesh, we actually kind of do both, but I think to, you know, take it into market today with the infrastructure that is available with Telcos. Obviously, they do not have this kind of computing because the --

Mahesh Kumar

But you are you are trying to put in a box. You are trying to put in your own box.

Unidentified Company Representative

-- no, but the reality of today is that, our agent requires us at a IQ level. And at that IQ level, no agent works on CPU. So, the fact that we are tracking it to make it work on a CPU, which will kind of unblock this GPU hardware challenge itself, I think, will be a big win for us. Especially if you want to realize revenue in the near term because CPU is something our customers have access, have procurement processes, and so we can start actually rolling out a lot more agents. So while we look for, you know, different architecture, which we do, but I think, the reason why we are going on CPU is primarily because it is something available and can be commercialized.

Mahesh Kumar

Neuromorphic is also available. There are companies who provide this hardware.

Nisha Dutt

I will actually ask my team to kind of look at it.

Mahesh Kumar

Okay. Thank you.

Nisha Dutt

Thanks, Mahesh.

Moderator

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

Nisha Dutt

Thank you for all the questions. I mean, you know, again, I think we have had a good year. Like I said earlier, we are looking to do better this year. At least the team is very bullish on the year that's coming ahead. So, thank you for staying with us.

I'm hoping that you'll stick for the journey. I would like I always think that, you know, the best days are still ahead of us. So, thank you for your patience and your confidence. And I look forward to speaking to you again during AGM and then after that, you know, in the investor call. So, thank you, and we'll be in touch. Thank you.

Moderator

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