

February 17, 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/1  
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 February 11, 2026 for the quarter and nine months period ended December 31, 2025.

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**

### **Q3 FY26 Earnings Conference Call**

Event Date / Time : 11/02/2026, 10.30 hrs.  
Event Duration : 59 mins 35 secs

#### **CORPORATE PARTICIPANTS:**

**Ms. Nisha Dutt**  
Managing Director and Chief Executive Officer

**Mr. Sumit Kumar**  
Chief Financial Officer

**Mr. Harsha Angeri**  
Head Corporate Strategy and Artificial Intelligence

**Mr. Ramu Akkili**  
Company Secretary and Compliance Officer

#### **Q&A PARTICIPANTS:**

1. **Sanjot Khare** : Individual Investor
2. **Mahesh Kumar** : Individual Investor
3. **Abhishek Kale** : Individual Investor
4. **Ajay Desai** : Subex Limited
5. **Jitendra Bhutoria** : Individual Investor
6. **Shyam Singh** : Individual Investor

**Moderator**



Ladies and gentlemen, good day, and welcome to the Q3 FY26 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. If you need assistance during the conference call, please signal an operator by pressing \* then 0 on your touch-tone phone. Please note, this conference is being recorded.

I would now like to hand the conference over to Mr. Prateek from EY, IR Agency of Subex Limited. Thank you, and over to you, sir.

**Prateek**

Thank you, Karthik. Good morning to everyone who have joined the earnings call for the quarter ended December 31, 2025. 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 Agenri, 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, Prateek, and good morning, everyone, and thank you for joining us today. I'm happy to report that in Q3, Subex maintained its steady path towards sustainable recovery. The process that we have been talking about over the past few quarters is now beginning to translate into visible outcomes. But before I get into the numbers, let me start with an important governance update.

We have successfully on boarded two independent directors, aligned with shareholder expectations. We concluded the induction process and held our first board meeting with the reconstituted board yesterday. It was a very constructive session, healthy dialogue, diverse perspectives, and strong engagement. I am confident that this trend and board will add significant value as we move forward.



Now coming to the Q3 performance, we delivered a 2.7% sequential top-line growth with a normalized EBITDA margin of 13.1% and a PAT margin of 10.8%. Our continued focus on operational discipline is clearly reflected in the bottom line. Importantly, we have sustained profitability at both the EBITDA and PAT levels and reinforcing the stability that we have been building. And I think that this quarter's performance is not incidental. It's the outcome of strategic groundwork laid over the last 12 to 18 months. The implementation cycle is now in full swing.

Our order book remains strong, supported by both new logo additions and renewals. A notable win this quarter was fraud management engagement with a leading European operator, which further strengthens our footprint in the market. One of the standout achievements in Q3 was successful commercialization of FraudZap, a product that we took from concept to customers within just a year. So this speed reflects the increased agility and sharper execution across our teams.

This capability is also evident in our order bookings and pipeline, both of which remain healthy as we enter the final quarter of the fiscal year. These outcomes are driven by strong product discipline and prudent capital allocation. We are prioritizing AI investments with clear customer value and commercial pathways, which has enabled a systematic conversion of POC's into production deployments.

I'm also happy to share that our European customer is currently funding proof of concept of our GenAI agents. This is again very encouraging for us that telcos are now embracing the new technologies. Engagement from some of the largest Europeans in North America and Europe, I think, is a strong validation of the maturity, credibility, and enterprise readiness of our AI capabilities.

Importantly, these proofs of concepts are not exploratory experiments. They have been done with clearly defined success metrics and structured pathways to commercialization, and we are seeing systematic conversion into paid engagement. So, several of the AI use cases that we are delivering are already live in production environments. This reflects a meaningful shift in our revenue mix. Subex today is delivering mature enterprise grade AI solutions embedded directly into customer operations.

As we all know, LLMs and AI models are reshaping industries globally. In response to this, a structural shift, both in our customers' priorities and in how we build and deliver the product, you must have noticed that last quarter we undertook rebranding of Subex. This reflects our transition into a more AI native operating model. We wanted to ensure that our identity ensures that our transformation is clearly articulated to all our stakeholders.

Our pipeline, new possibilities now possible, underscores the tangible outcome-driven impact to our solutions. True to our customer-first ethos, we unveiled this brand at our user conference in November in Athens alongside our customers. So the user conference was really a great platform for us to engage deeply with our key clients, gather voice-of-customer insights, exchange perspectives on evolving



telecom landscape. These conversations are instrumental in sharpening our product portfolio and ensuring that our road map remains tightly aligned with the marketplace.

On talent front, we have strengthened our leadership team with the appointment of a new Head of HR and new Legal Counsel, reinforcing our focus on organizational depth and governance.

Finally, as discussed on the last call, I know this has been -- we've been talking about it for a while, but we had intended to host a Investor Day, but due to scheduling constraints, we were unable to finalize it this year. But we definitely plan to hold it in the financial year and we will definitely share details in due course.

Next, I shall cover the consolidated financial results for Q3. The revenue for the quarter stood at INR 70.79 crores as against INR 68.9 crores for the previous quarter. Normalized EBITDA for the quarter was at INR 9.2 crores, against INR 7.3 crores for the previous quarter. Normalized PAT for the quarter was at INR 7.68 crores, as against INR 3.9 crores for the previous quarter. PAT for the quarter was at INR 2.9 crores, as against INR 2.8 crores, including exceptional item in the previous quarter. And the new labour code impact is quantified as INR 4.5 crores for past service liabilities, and the same has been represented at exceptional cost in the results. And now those were the results.

And as always, now I'll wait for the real action, your questions and comments.

#### **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 a question. If you like to withdraw your request, you may do so by pressing \* and 1 again.

We have the first question from the line of Sanjyot Khare, an individual investor. Please go ahead with your question.

#### **Sanjyot Khare**

Hello. Good morning. Am I audible?

#### **Nisha Dutt**

Good morning. Yes, you are.



**Sanjyot Khare**

Good morning, Nisha, and really good to see turnaround. Congratulations to your team, a good operational performance. And the feedback about the good branding and good to see a change into the logo as well as the website. It looks really nice.

**Nisha Dutt**

Thank you.

**Sanjyot Khare**

So my question is, we have seen a good number of deal wins in the last three, four months, and that's really great and congratulations on that. So my question is, are we going to see the conversion of that? I mean, the revenue will start converting from Q4, or it will start from Q1 for these big deals won in the last three months? Because generally your Q4 is generally a heavy quarter seasonally, so I just want to check that.

And second question is about, there are a lot of updates happening in geopolitical side. There was a tariff agreement that has happened with EU and Europe, even U.S. So now, are we seeing that the market is opening up, and are we seeing the conversions or the discussions that are happening and the momentum is getting better?

**Nisha Dutt**

Thanks, Sanjyot. First of all, I mean we are also very encouraged by the deal conversion and we have seen some momentum in the last few quarters. In terms of revenue conversion, the way it works is -- so we have -- there are two distinct lines emerging. So, in the sense of our traditional RAFM products, which are more HyperSense based or ROC based, there we see the revenue conversion happening a little later, because as you know, that model kicks in when we complete our implementation. So the SaaS revenue or the subscription revenue kicks in a little later. So I would say three quarters after the deal is announced.

Small part of revenue is taken when we initiate the project, obviously, which is more around the set of costs and some of those milestones. But the bulk of it comes out after our implementation, which typically take three weeks -- sorry, three quarters or so. So that's the first part.

But on the second line, where we have things like FraudZap and where we are doing more AI led implementations, there we see a more immediate gain in the revenue actually, because it's more straight line and we start seeing the impact as soon as pretty much -- sometimes as early as the same



quarter. So that's why we are trying to accelerate our AI line of business where we feel that revenue conversion can be faster, actually. So that hopefully answers some of your questions.

In terms of geopolitical side, this has been an interesting time. We are seeing conversions now from the U.S., but we do have very small, very mild exposure to countries like Iran and Venezuela and all that. So that is where we have some exposure, and sometimes our money and our revenue gets stuck. But I would say that that's extremely controlled right now and it's a minor exposure.

So, we are seeing the good and the bad, both. So, the good is that if you have tariff agreement in place, the trade becomes much easier, but there are still pockets of geopolitical uncertainty for us as a business where either there are currency challenges or the country itself is completely on a blackout mode. We are unable to actually speak to the customers there at all. So, we are seeing the good and the bad, both.

But I would say that as it stands, the exposure is extremely controlled, because we have a governance framework and we ensure that we never actually exceed our revenue or our exposure in these countries. So, in that sense, I would say that it's contained, but yeah.

**Sanjyot Khare**

Sure. Thanks, Nisha. So on the business dialogues perspective, you are getting more business. Are you seeing traction now from the Europe and U.S.? Is it getting better?

**Nisha Dutt**

It's actually getting better. It's been -- you must have seen in the -- well, last few deals that we announced, it was actually Europe and U.S., a lot more. And those countries, anyways as you will imagine, that these continents are -- risk profile goes down significantly when you do business here. So, we also want to make sure that we increase the pie here versus the more riskier geographies. So - but yeah, that pie is definitely looking much better for us now.

**Sanjyot Khare**

All right. Thank you, and I'll come back in the queue. Wishing you all the best.

**Nisha Dutt**

Thank you.



**Moderator**

Thank you. We request the participants to restrict to two questions in the initial round and join back the queue for more questions. The next question comes from the line of Mahesh Kumar, an individual investor. Please go ahead.

**Mahesh Kumar**

Yeah. Good morning, Nisha.

**Nisha Dutt**

Good morning.

**Mahesh Kumar**

I have a first question related to FraudZap. And you have recently launched and got a customer also, and price seems to be right for the market. So, what is your estimate for the revenue from the FraudZap till 2030?

**Nisha Dutt**

That's a -- you've asked a very interesting question. So, for us, I think again, Mahesh to be honest, it's early days, so I'm unable to kind of really answer that question. But what we were wanting to do is, we definitely wanted -- that said, I wanted to challenge the team to see if they could develop something very, very quickly, which is white coated pretty much. But more importantly, can we commercialize it, take it to market, have a paying customer? All of that has happened within a year.

So that gives us the confidence that there is market out there for this. And more importantly, this market is coming from developed economies, which is even better for us, right. So, I think I can answer this question a lot more confidently to you maybe in the next two quarters, because we are planning to update this product.

**Mahesh Kumar**

But you might have done analysis, no? When you are going to market?

**Nisha Dutt**

We have done analysis.



**Mahesh Kumar**

Yeah.

**Nisha Dutt**

Of course, of course we have. But what we want to do is establish --

**Mahesh Kumar**

See, what analysis I have done. For FraudZap, the total addressable market is \$1 billion to \$2 billion, Okay. Out of that, which Subex can obtain is around INR 6,800 crore. Now, if your conversion rate is 2%, 5%, 8%, by 2030 revenue should be USD 540 crore.

**Nisha Dutt**

So, see, FraudZap is currently -- the way it's built, just also to clarify for you and the other listeners. So FraudZap is built pretty much like, I would say, a platform on which we are able to do different use cases. So currently, the use case that is active is device fraud. And if I look at, let's say, device fraud as a market, it's 4.5 billion or 4.2 billion, actually, to be precise.

**Mahesh Kumar**

No, that is a total addressable market. But Subex conversion rate is very low. So, I'm taking 2% only.

**Nisha Dutt**

No, no. I am coming there. I am coming there. So, basically, device fraud market is around 4.2 billion, right? And all of 4.2 billion or even if you look at device fraud as a market, that is not addressed solely by FraudZap. There are many competing offerings in the market. Of course, I think the way we are going about it is quite unique. However, the -- even before we launched FraudZap, we were also solving device fraud through regular, or I would say more traditional AI/ML model, those means, right. So, mobile money itself is 2.5 billion.

So, if you look at TAM, it's large, but there are other solutions in the market. But for us, where we are going is it's a live solution. It can actually be used even in MVNO's. So that's where we are trying to go that -- can we do non-CDR fraud actually with this. So, market sizing has been done. Conversion, again,



because this is our first conversion, we were hoping that -- I mean, typically, if you see our conversion rates hover anywhere between on HyperSense, I mean, and traditional products. And conversion rates hover between 25%, 20% to 25% on the pipeline.

So, the reason I'm unable to answer the question is because we are in the process of building this pipeline. And once we build this pipeline, we'll be able to certainly say -- let's say that next quarter, what is logically going to be my conversion on these products? And hence, you know what's the market that I can go after?

You are right that we did do the math before we built. Obviously, their business case was built. But as you know, right, business cases have to be made real, actually, in the real market, so.

**Mahesh Kumar**

No, no, but -- see, in the previous calls you have been telling, 'See, I will build the product only when there is a revenue possibility,' okay. So, you can't build a product without doing this analysis.

**Nisha Dutt**

Of course, of course.

**Mahesh Kumar**

Yeah.

**Nisha Dutt**

Which we have exactly in that state.

**Mahesh Kumar**

So, that is what I'm asking, what is your analysis? What is the revenue estimation by 2030? See, I have done only analysis for the telecom fraud. I have not gone into adjacency. So, when I say \$1 billion to \$2 billion, that is only telecom fraud, which is a handset fraud, dealer fraud, and related fraud.

**Nisha Dutt**

That is correct. You are absolutely bang on, that those are the top frauds, actually. And we want to build all these frauds on the contract.



**Mahesh Kumar**

Yeah. So, these are the fraud where your FraudZap is fitting right.

**Nisha Dutt**

Correct. You're right. Your right, sir.

**Mahesh Kumar**

So that market itself is \$1 billion to \$2 billion, total addressable.

**Nisha Dutt**

Correct.

**Mahesh Kumar**

It is not \$4 billion.

**Nisha Dutt**

Actually, it's higher than that. It's actually higher than that. But our thing is that, I feel that if this can be stood up as a tax -- see, today if I look at our fraud product market, I mean, what Subex is doing, right, I think they should be able to leapfrog that. And if I were to say that in a few years, or not even few years. Few years looks like a very long time while in this day and age. I think in a couple of years, we should have a few million dollars behind us on this.

So, this year we are going to aggressively take it into market. And the reason I'm really hesitating from giving you some guidance here is because I'm -- I really want to take one or two quarters, take it aggressively to market, see our conversion rate, see how real we are actually on this product.

**Mahesh Kumar**

See, unless you have aggressive.

**Nisha Dutt**

But the good thing is already -- and the business case was made, we are already in revenue positive, right. In that sense, I think, all our plans are coming through. But can we go after the new growth



drivers, address new TAM, that is what the purpose of this is actually, FraudZap. Can I unlock markets which I will not be able to unlock?

**Mahesh Kumar**

See, unless you have aggressive target for the sales team, they will not be able to achieve.

**Nisha Dutt**

Of course, of course. I mean, this is, I mean --

**Mahesh Kumar**

Because, see, I'm estimating that in the first year itself you should have at least 20 customers, out of total, 2,400 customers.

**Nisha Dutt**

Okay.

**Mahesh Kumar**

So that is what target you should have. And second question is related to FraudZap or adjacency. Now, in the past calls, you have told you will not venture into fintech and all those areas, because that is not your core area. And now you are saying we want to venture into adjacencies.

**Nisha Dutt**

No, no. When we say adjacencies, it's telco fintech. We mean telco fintech. It's not -- see, the reason why I hesitate from going after BFSI as a segment, which also has a lot of fintech, because there are soft compliances, and it's a very compliance heavy sector -- domain. Where we are going is telco fintech, because I mean think about device fraud, right? When we think about device fraud, we think of it as transaction monitoring, actually. At the core of it, what are you doing? You're doing transaction monitoring.

Where you are giving Intel to, let's say, you go into U.S. and you try to buy an iPhone. We are trying to tell that customer or the seller at that point of time whether you can give this credit to this customer or not. That's essentially what you're doing, right.

So, it's some sort of transaction monitoring. And that transaction monitoring can be very easily scaled to a telco FinTech, and other places, which we have actually already done in some of our other --



through some of our other deals. So that's how we think about this. So, Africa, AI deal that we recently announced is actually a telco fintech deal. The one that you must have actually got, maybe you did catch the news.

**Mahesh Kumar**

That is North America? FraudZap is North America.

**Nisha Dutt**

Oh sorry, we didn't announce that. Okay, my apologies. We didn't announce that, but we do have a telco fintech deal in Africa, for instance. So, we do think of it as --

**Mahesh Kumar**

See, announcement.

**Nisha Dutt**

So, my point is that, at the core of this, this is the transaction monitoring. So, what we are doing is transaction monitoring, and I feel that is horizontally scalable. So that's where we are going. When we say that we want to go horizontal, telco fintech. All telcos are wallet fielded.

So, can we scale it to that? Yes. Have we scaled it? Yes. We actually have a contract there as well, so.

**Mahesh Kumar**

No, why I'm saying, because there is no growth for the Subex for last ten years. So, unless you become aggressive on going for FraudZap, which has a utility in the market, the growth will not come.

**Nisha Dutt**

I completely agree with you. The reason we are not going to even stop the FraudZap because there are other products that we are building.

**Mahesh Kumar**

You see, all the calls you are agreeing.



**Nisha Dutt**

No, I am absolutely agreeing.

**Mahesh Kumar**

All the calls you are agreeing, but there is no aggressive target for the sales team. Growth is not coming.

**Nisha Dutt**

No, no, you don't know Mahesh. No, no, you don't know that, because we do set very aggressive targets. We have a GTM plan in place of how we will take this to market. We actually have sales guys have been given the target. There is a DTM in place. We know how we are going to take this to market, and we are going to very aggressive -- and this is not where we stop. We are actually going to build more products on this, on FraudZap, and we are going to build more products beyond FraudZap as well.

So, we have a whole product road map and DTM road map. So, that I would -- rest assured, this is definitely going to happen, actually. We are tracking net new pipeline, and we have road shows running. Even as we speak, we have road shows running in the Middle East right now. So, we are doing road shows. So, there is a lot of work that's happening behind them.

Obviously, when we invest in a product, we want to make sure that -- and even the pipeline that has been converted, right, within a year of launch of FraudZap and to the revenue that we announced, that has not happened because we were not doing any activity, right. As you can imagine, sales takes time, but we did, and we have been in this pursuit for a while. We wanted to make it clear, and we had -- we have. And we do have roadshows running. Sales guys have been given way more aggressive target than you are even telling me it's 20.

Actually, the targets are very aggressive. They are stringent, but we do want to go after this, and we are taking a very -- like I always say, right, we are going to take a very frugal investment approach. We are taking a GenAI first approach, unlike the past product build that we which we have done, where obviously, it takes a lot more engineering to build those products. Here, we are actually able to build products based on just Gen AI, and this has been the proof for us, right. So, rest assured please you know.

**Mahesh Kumar**

I will just make this last point and join the queue. See, my last point in this question session is, see, your assurance of that target and everything will be proven when there is a double-digit growth in the



top line. See this assurance, we have been listening for two years, and there is no growth. You show the double-digit growth, I will not ask this question again, okay?

**Nisha Dutt**

Point taken.

**Mahesh Kumar**

Yeah. Thank you.

**Nisha Dutt**

Valid point.

**Moderator**

We have the next question from the line of Abhishek Kale, an individual investor. Please go ahead.

**Abhishek Kale**

Hey, am I audible?

**Nisha Dutt**

Yes, you are, Abhishek.

**Abhishek Kale**

Nisha, on our revenue bifurcation, right, could you please elaborate or going forward, put a number against the RA and FM? Because we have the bifurcation as per the business verticals, right.

**Nisha Dutt**

Right.

**Abhishek Kale**

The support. If we can further bifurcate or have it at a more granular level, say, what is coming from my RA and what is coming from my FM, if it is that significant. If it is insignificant, then you may



choose to exit that part. Then another question is on the lost revenue recovery, Sectrio. What's the update on that?

**Nisha Dutt**

So, Abhishek, in terms of -- I'll answer both. In terms of RAFM, we'll go and evaluate, but a lot of our deals are actually integrated deals. So, we sell both RAFM together to our customer. So, it's an integrated deal. We do more of those than just RA or FM. And that's the reason why we sort of report it together, honestly.

**Abhishek Kale**

No problem.

**Nisha Dutt**

In terms of recovery, we are pursuing recovery right now. You know, actions have been taken, but I don't have any meaningful outcome, in the sense that, I've not recovered anything yet. So, we are in the market. We are taking legal recourse. So, we are in that process right now.

**Abhishek Kale**

Okay. And I think I'm asking as follow-up question from what the first participant asked. It's regarding when the revenue kicks in. So, you shared some very high-level info. Could you please elaborate a bit more on that? Because say, when I take -- when we take an order, right, say -- you said for FraudZap the revenue kicks in immediately. But for a bulky solution like complete RAFM and/or BA solution, it would take a slightly longer time. So how much is our initial take that -- or cut that we take for installation?

And then, say, six months down the line when our revenue actually starts to kick in, what percentages are we looking at? If you can briefly throw in the line, because we are seeing the order wins that is there. Just to understand what kind of a revenue would start to flow in over the next quarters, I was trying to understand those numbers. So yeah, please.

**Nisha Dutt**

So, RAFM and BA is typically -- 30% of our revenue comes over four quarters, so which is primarily implementation and license revenue. And once our implementation is done, that's when our subscription revenues kick in, which is more repeatable. So that's typically the -- again, it varies contract-to-contract. But if I were to give you a more broader guidance, then that's generally our rule of thumb.



In terms of FraudZap, at least the first one, and I can only meaningfully speak about the one that we have closed, that's more of straight line. So, in the sense that we will split it over, if the duration is four quarters, then the revenue gets split over four quarters, so that sort of thing. So, it's more straight line that we are doing. But again, we will also refine some of these models as we go forward, right, because we'll start learning how to price it, how to position it. So, this is also a little bit of a learning curve for us, but that's how we are going to do. But this is definitely going to come faster I would say, because it's a fast implementation.

So, core of FraudZap primarily is that we should be able to implement it very fast. So, I think in that sense, the revenue for us should come -- start coming faster. And the reason we were also developing this product line is one, because there is legit, there is a big market out there even as Mahesh was speaking about. The other is, even I saw that our revenue velocity sometimes you know is on a lag, right. When you have heavy products, your revenue starts lagging a little bit.

So, we wanted to have both the portfolios where you have more, I would say, stickiness of the customer, churn, lower churn, those kind of product lines which is -- I would think that ROC and HyperSense are that product. And FraudZap and other products, which are -- I would say the revenue velocity can actually be increased. Our coding velocity are everything. You know, I would say that end-to-end velocity can be higher. So, we are -- we wanted to bifurcate this for a while, and we have been working on that plan. So, I think somewhere now it's coming through. So that's really the strategy here.

#### **Abhishek Kale**

Okay. Nisha, if I may ask another follow-up, please. The FraudZap, right, it's our newest product, right. Say, going forward, how much of our revenue mix would come from FraudZap, percentage terms? I mean, I think I'm talking about 2030 numbers somewhere. But what do you see as FraudZap's contribution to our revenue mix? Percentage terms. No forward -- nothing forward-looking.

#### **Nisha Dutt**

I actually feel it's -- like I was telling Mahesh also, I feel that I will be, honestly Abhishek, able to answer this maybe in another quarter much better, you know, another quarter or two quarters, because it just feels a little bit early to comment. I want to see this revenue mix starting to shift, actually, and then I'll be able to -- and team has to hit my milestones, right. I also feel that -- I want to make sure that team is hitting all the milestones that I've set for them.

And once they start doing that and we start seeing some -- I would say, we are running the treadmill, so to say, right. Once the treadmill starts moving, then we know what is the actual mix. But idea definitely is for us to start mixing this revenue. Revenue mix has to change for us. That's the goal, though, definitely. That's the goalpost.



**Abhishek Kale**

Okay. Thank you, Nisha. That that is it from my side. Thanks.

**Moderator**

Thank you. The next question comes from the line of Ajay Desai from Subex Limited. Please go ahead.

**Ajay Desai**

Yeah. Am I audible?

**Nisha Dutt**

Yes, you are, Ajay.

**Ajay Desai**

Okay. Congratulations to the new management for such a good set of numbers and strong operational performance. Now, I think along with this, what as an investor, we will be looking out for a lot of time dedicated, particularly from CFO and IR team, towards the value creation for the shareholders, and a lot of work needs to be done to attract mutual fund and other PMS's and all, to really see means, not immediately, but at least in next few months a lot of visibility and other stuffs.

**Nisha Dutt**

Completely agree, Ajay. Actually, I know this has been a long standing ask of the investors. I'm completely aware. I'm very cognizant of that. And I have always kind of also held back a little bit, because I always felt that we need to have the performance before we go to the market. And now I truly feel that we are on our way, well on our way, and we have fixed up our fundamentals to a large extent.

Growth still eludes us a little bit, but we are working on that. Just like we worked on the bottom line, we do have a solid plan in place for how we turn around the top line as well, so through investments. So, I think somewhere we are on our way, and we are going to start the roadshows. And you have seen, the IR team is with us on this call. We have been in discussions with them on how do we hit the road and what do we target? So that's something that's getting drafted. That plan is getting drafted even as we speak.



**Ajay Desai**

So, effectively, what I'm saying is that we need to approach all this sell side brokerage houses and start getting few reports published from their side, which then eventually those reports and the coverages should reach to the PMS's and fund houses who handle small cap funds and all. And eventually, they start participating into our journey. So, for them also it's a great entry point without diluting anything. If they start taking it from secondary market, we will start having reflection into our market capitalization, and that's just a suggestion. And second is, a lot of work from CFO's, mean particularly the CFO's team and the IR team, basically.

**Nisha Dutt**

Agree, Ajay. Absolutely agree. No, thanks so much. This is always good to hear constructive feedback. So, we are going to take this on. We are actually making plans, but we will give you quotes, and you will see us a lot more in the market now.

**Ajay Desai**

Sure. Thank you, sir.

**Moderator**

Thank you. The next question comes from the line of Jitendra Bhutoria, an individual investor. Please go ahead.

**Jitendra Bhutoria**

Good morning.

**Nisha Dutt**

Good morning.

**Jitendra Bhutoria**

So, I just wanted to know, that we have invested in that UAE subsidiary. So how that investment has started contributing to the revenues? And secondly, post that investment, within September only, it's only a quarter only. And the second one is the sector here where we were to close that last contract. We were -- the final negotiation was there, although the expenses on that were minimal. But still, I just wanted to know whether that has happened or not, the last contract closure?



**Nisha Dutt**

So, I can just answer Sectrio, and I'll ask Sumit to maybe speak about the Middle East subsidiary, which was -- actually, primarily it was recapitalization of our subsidiary. But in terms of Sectrio, we are -- as you have seen, there are no expenses around that. Everything is closed. I think the -- just the last final legal documents, and we are exchanging legal documents, and we are dotting the I's, crossing the T's. Everything is closed, actually. The only one part which even Abhishek asked earlier, on one of the contracts there is some recovery left for us. So, there we are taking legal recourse, and we'll try and go and recover our money, so. But I think everything is done now. It's behind us.

Do you want to comment, Sumit, on Middle East.

**Sumit Kumar**

Yeah. On The Middle East, again, last time also we have communicated. So, this is more about the recapitalization of that unit. And Middle East, if you see our revenue composition, the EMEA segment includes the Middle East segment, which is substantial as a revenue contributor. So, all the couple of deals which we are just renewing it, it is -- it's also coming into the Middle East.

So, it is more about the ongoing business with the entity, and this capitalization basically strengthened the balance sheet of this entity, and that's how we have done it. So, it's more about the supporting the working capital than other aspects around.

**Jitendra Bhutoria**

That's right. But when do you expect that -- this capitalization which has been done for the Middle East subsidiary, will start contributing, or what is the extent of contribution that you expect going down maybe to two quarters?

**Sumit Kumar**

So, as I told, like, the deals that start renewing in that entity, because this is one of the important entities to deal with the Middle East contracts around. So, the deals, you will keep hearing some sort of announcements keep coming. So, any deals which is associated to the Middle East region, it largely goes to that entity. And as the business grows, this entity is strategically important entity for us. So, it will also grow as such.

**Jitendra Bhutoria**

That I understand, but still some ballpark figures where -- because I expect what -- generally as an investor, I expected that with this capitalization, when the capital allocation has been done to the



subsidiary, the contribution to revenue, should -- the math should show, actually. And that's what I'm asking, that when could we expect those mathematics numbers from this ongoing subsidiary which you are talking about?

**Sumit Kumar**

Maybe, like -- so because see, our as you are aware, so first we do order booking and then the revenue translate, and Nisha did the -- what do call it as -- tried to explain how the revenue dynamics work here, okay. So, from an order booking side, I can just say the -- it can take another, let's say, four to five quarters and the real business will start flowing into that, and it will obviously result into the top line growth eventually after a few more quarters. So that's how it will do it. Obviously, all the actions are on to get these entities also start functioning around on this.

**Jitendra Bhutoria**

Okay. Thank you so much.

**Nisha Dutt**

Thank you.

**Moderator**

Thank you. Ladies and gentleman, if you have a question, please press \* and 1 on the telephone keypad. Next, we have a follow-up question from Sanjyot Khare, an individual investor. Please go ahead.

**Sanjyot Khare**

Yes. Thank you for the follow-up opportunity. So, my question is about how the situation now is at the -- I mean, on the hiring front as well as the annual increments. Is it for financial year it's already done, or you are planning that in this quarter?

**Nisha Dutt**

So, our increment cycle is actually Q1 of --



**Sumit Kumar**

It's actually from Q2, RAFM. So, we do the entire incremental post the incremental cycle or process around in Q1, which it gets effective from Q2. So that's how our salary will increase or increments, whatever happens will be there. What was -- [indiscernible 00:38:45].

**Sanjyot Khare**

For this financial year, or it's already closed.

**Nisha Dutt**

Hiring, you were also asking about hiring. Hiring goes on, but obviously it's a -- I would say that it's a tough talent market right now. So, market is difficult, a little bit tough, but we have also sort of embraced -- in Subex we have started saying that we'll hire talent where it is. So instead of trying to concentrate too much in one location, we will find people where they are and hire them there. So that's -- as of strategically, we have started doing that. That should make it a little bit easier, I would think.

**Sanjyot Khare**

Sure. And my next question is, I mean, in last six months, for the first time in last four, five years we have seen so many orders coming in. Almost it was more than INR 140 crore kind of orders we have announced. And I know you are not comfortable to give any guidance for the financials, but at least considering the order win and even are we seeing that this next financial year will go at least in double digit? I mean, it's not so -- do you see that based on whatever business we are having in or the growth would happen?

**Nisha Dutt**

Growth, I mean, I think at the back of this, honestly, it should happen. I mean, I don't see why we should be lagging, because I think products are in good shape, the pipeline looks good, we have been able to do deal closures. So, everything -- revenue, I always think of it as a -- it was a lag indicator, right. Our lead indicator is, are you able to close product? Do you have good products? Do you have, I mean, products that work? Do you have a healthy pipeline of products and sub pipeline and closed orders, right.

So, all these metrics for me, at least the ones that I track to see, you know, how my following quarters will do, are looking good or looking -- it could be much better always, but I think that they seem to be in good shape right now. So, I think for the next few quarters, as we start the next fiscal year, definitely I've been challenging teams. And I know I've said this many times in the call, and I will continue to say



it, that I always challenge them that I want a 10 million quarter. So, I think that's still something that I'm going to go very aggressively for, sure.

**Sanjyot Khare**

No, sure. That's great. I mean, that's what we are hoping. So, I think the concern for all investors are same. Like, the growth is now -- it started happening. The green shoots are there and the order wins are there. So, convergence definitely will start happening. So, it will be great if you start at least from the next quarter or at least maybe talk to your board, but at least some guidance if you start giving in, at least that really gives some confidence as well as good thing for our investors. Like every other company gives it, so we can just look into that. Good things are happening, why not to share it, I mean. Thank you very much.

**Nisha Dutt**

You're right. Actually, I mean, we have been sharing actually, but I also think that you're spot on. I think I kind of agree that. We'll speak to the board. We'll see what if -- you know if there is more guidance that we can provide. I'll take some care of this.

**Sanjyot Khare**

Thank you, and all the best.

**Nisha Dutt**

Thank you.

**Moderator**

Thank you. The next question comes from the line of Shyam Singh, an individual Investor. Please go ahead.

**Shyam Singh**

Hi, Nisha. First of all, congratulations for the good set of numbers.

**Nisha Dutt**

Thank you.



**Shyam Singh**

We know that the market conditions for the IT sectors are quite not good right now, ma'am. So, what is -- what figure is in your mind? How much quarter will you take to give us a double-digit result?

**Nisha Dutt**

So, I mean, honestly that is what we are also wanting, Shyam. This has been my -- I mean, nothing stops the team. I think we have the right team. We have, like I was saying earlier also, we have the green shoots in place. We have all the right set of lead indicators. We just need the conversions now into revenue, right. We seem to have the orders. We have the pipeline. Everything is in place. We just need to convert it.

I very much hope that this happens for all of us, actually. So, I remember the year one that I came, it was a double-digit growth, and since then we have sort of tapered off. But then we have been working on the bottom line to ensure that we still have a good set of numbers. The next challenge for us is to tackle top line. Actually, that I would think is the only challenge left now. So, as we continue to repair the bottom line, but I think top line has to be repaired.

So definitely hoping for it. Hopefully, if everything goes well, then we should be able to aspire to something in few quarters. We are getting there for sure.

**Shyam Singh**

Okay. Thanking the -- I had given one suggestion to -- I have given one suggestion last time to your EY investor team, I think, Mr. Pratheek, that once you conduct the actually, Investor Meet, then you should conduct it offline as well as virtual, so that the persons like us who can -- who won't be able to join and so that they can also join that meet.

**Nisha Dutt**

Okay. That we'll discuss definitely with EY and make sure that we put some systems in place where we are able to do. We are able to also stream and you are able to join. Whenever we end up doing that, we'll take that into consideration for sure.

**Shyam Singh**

Okay Nisha. That's all from my side. Thank you.

**Nisha Dutt**

Thank you, Shyam.



## **Moderator**

Thank you. Next, we have a follow-up question from Mahesh Kumar, an individual investor. Please go ahead.

## **Mahesh Kumar**

Yeah, Nisha, my first question is, apart from new product development, what are the other growth initiatives that you are taking at Subex?

## **Nisha Dutt**

Okay. Is that the question? Okay. So, I think, one is new product development in terms of growth vectors. Obviously, you know, new products.

The second one that we have done is, we have also gone after MS actually as a business, Managed Services. And we have a team whose job it is to expand our MS file and get us newer MS.

So, that's the second vector that we are actually aggressively chasing. And most of our deals recently that we have closed in the last year do have an MS component, a strong one. For instance, even the one that we announced, if some of you remember, which was around a \$6 million deal, that has you know, an MS kind of component. A lot of deals are now starting to show up, but again, I think a lot of work needs to be done there.

The third one is we also have set up almost like an innovation lab. I think I've spoken about it in one of the calls, but we have an innovation lab, which what we are trying to do is, I almost think of our strategy. And again, you must have heard this many times, but our strategy is sort of H1, H2, and H3. I don't even go as far as H3, but H1, Horizon 1 and Horizon 2.

So from Horizon 1 we are reinstituting MS, we are building new products, and we are also reinvigorating some of our older stacks like ROC, bringing AI to our older stacks like ROC, so that all the customers that are sitting on ROC today, right, the older version of the platform can still use all the AI capabilities. So that's something that we are doing on Horizon 1 basis.

The second and new fraud vectors that we are trying to tackle, right, like device fraud, subscription fraud, SIM swap. All this is, I would think of it as Horizon 1. On Horizon 2 is where we have established this innovation lab, and we are trying to work on newer areas of fraud that are coming up. And one of the examples could be, like, an account takeover, right. That requires good R&D, because account takeover is a very wide field. And again, it's not just relevant to telcos. It's also relevant to OTT's and some other things, all digital journeys pretty much.



So, we are trying to invest in that, the Horizon 2 initiative, to make sure that we just don't eat today, right. We also need to eat tomorrow and the day after tomorrow. So, we are trying to create that pipeline of growth initiatives for us. That can feed us for the next one or two years, but also you know, what do I take to market. So, I want some velocity in that. So, these are the growth drivers that we have identified internally.

And in terms of building --

**Mahesh Kumar**

These growth -- go ahead.

**Nisha Dutt**

In terms of building our products, we are actually embracing GenAI and byte coding, which we are taking even to our core engineering. So, I want to get efficiencies even in the core engineering. We are for instance revamped our SDLC for those of you who understand technology. We have GenAI based SDLC, which means that a lot of our product building now will happen GenAI first, which is to make sure that again, efficiencies, right. It goes through efficiencies, but more than that, I think of -- I think less of it in terms of cost, but more importantly, I want to hit the market faster, right. So that's -- those are the growth vectors that we have identified there.

**Mahesh Kumar**

See, these all -- yeah, see all these initiatives are basically focused on product and new product and building internal efficiency. That is basically cost reduction.

**Nisha Dutt**

No, no. It is MS. MS is market expansion, right.

**Mahesh Kumar**

Yes.

**Nisha Dutt**

Our product, when I take our statics, net--

**Mahesh Kumar**



Are you expanding into a new region where currently you don't have customers? That is a region expansion.

**Nisha Dutt**

I actually don't think there is any region, Mahesh, that we don't have customers. So, I tell you, our basic, we are EMEA, right. We have Europe and Middle East. We are covered in APAC. We have coverage in the North America, and we have coverage in Middle East. I mean yeah, I've spoken about it. So, all the five regions are covered -- Africa, sorry. So, all the five regions are covered for us.

So, there is no market that's untouched, but we are seeing differences in market. Markets behave differently, though. You are right to that extent. That what North America market needs and Europe needs, is quite different from what Africa needs today from us, right? So, we are also sort of differentiating our strategy in terms of where we need to go more aggressively on services versus where we need to go more aggressively on products. So that is the stratification that's happening, actually. We have been doing that internally. But there is no market per se that is untouched.

I would say that we are even covered to Australia, right. Yeah, some of the untouched markets are I would say part Pacific, like New Zealand and all that we haven't covered. So, there are some areas, but generally everything --

**Mahesh Kumar**

Are you present in Korea and Japan?

**Nisha Dutt**

No, we are not, actually. That's again, something that we are aggressively looking at. The only thing is that some of these markets, there are language constraints. And also, we noticed sometimes that there is a competition issue in these markets, in the sense that they like to insource a lot. But we are headed to end up visiting in two weeks, and we are planning to meet some of these customers.

In terms of targeting and opening a new market, one thing is that, at Subex our portfolio was never able to speak to MVNO's, which is actually a growing market. This is one of the biggest growing markets within, I would think of telcos. MVNO's are a big segment, which we weren't catering to at all. And today, with FraudZap, we are able to go to MVNO's. So, we have opened a new frontier for us in that sense.

So, I would say that that is a net new for us. But yeah, I mean, some of the markets are -- I mean, some of the countries are untouched, but in terms of region, we have good coverage, actually. But yeah, we can always do more. And there are takedowns on this call, so they should take notes.

**Mahesh Kumar**

Apart from this, is there any acquisition of small competitor which will give you growth immediately on the plan?

**Nisha Dutt**

The acquisition can happen in two ways, right. I mean, so one is, obviously, we do have some surplus cash. As most of you have noticed, we are sitting with 150 crores or something of cash, and so we do have some surplus.

So, we will look at some tuck-in acquisitions. But the point is that if you make a smaller tuck-in acquisition, it's unlikely to give you the top line, right. That's not a top line acquisition, really, because top line acquisitions are a lot more expensive. So, what tuck-in's can do is, it can give you -- I think the newer technologies or bolt-on products that you are -- so your own development cycle of products can reduce, or it gives you a Rolodex into a market that you are trying to crack.

**Mahesh Kumar**

See, if you giving entry into a market --

**Nisha Dutt**

So, for me, we are only looking at what we need. The market -- you're right, market access or technology access. That's all I can unlock with the surplus cash that I have right now. I will not be able to buy any top line right now, because I just don't have that kind of money.

**Mahesh Kumar**

See, with INR 154 crore, you cannot buy top line. Even if you take 2X sales, it is not possible.

**Nisha Dutt**

Not possible. Correct. You are right. So, yeah.

**Mahesh Kumar**

But instead of that, if you get access to market where you can sell more to the existing customers of that target company.



**Nisha Dutt**

Absolutely. So that's where even we are going. Either you get technology, which we would take time to build, or you go after the -- I think of it as a Rolodex or get customer access, access to a market which is not open to us right now. So those are the two vectors that even we are looking at. This is something that we have also discussed at the board level. So, we will be sort of in the market. We'll be looking at this. So, tuck-ins are very much a part of our playbook now.

**Mahesh Kumar**

Okay. And is there plan or thinking to take this PrivaSapien product to the market or integrate in the Subex product?

**Nisha Dutt**

So PrivaSapien, we have been talking to them for a while. This is something that the PrivaSapien itself has become a little bit more India focused, actually, because of the DPDP Act. So, they are becoming a lot more India focused, but we have been talking to them, that is it possible to take their product, bolt it onto our stack, and take it. It's a very interesting area. That's why we continue to stay invested, and they are also doing very well by the way. But we are trying to -- honestly, I don't have a open lead right now.

Harsha, if you want to add anything?

**Harsha Agenri**

Yeah. So, I think while the key thing is that they are focused on two parts, I mean, they call -- it is responsible AI. They do both on traditional AI where they protect the data, right. For example, if I build an AI model, the data should not be biased, etc. And then, of course, they are also doing the LLM, GenAI kind of firewall security and so on. So, in general, like Nisha said, it's an area of interest. We have had workshops with them to understand their portfolio and so on.

So, they, I mean, they're doing well, and they are getting good traction because of DPDP Act on the banking sector. So that's kind of what we have understood. So, the conversation with the CEO has been to talk to telcos, especially in India. That is something that's on the cards, which we will do. But on a global basis, like I said, today we are RFP driven. Per se we are not hearing too much where people are coming and asking, but this is a growing area. It's evolving pretty fast, and so we are constantly in touch with them in terms of any opportunity that comes. If we can position along with them, we will certainly do that.

**Mahesh Kumar**



At least telecom market you should explore no globally, because we have more than 300 installations.

**Nisha Dutt**

So, telecom market, Mahesh, moves a lot on RFP. So, which means that by the time it comes to us, the requirements are already defined. And in that definition of requirements, we have also been talking to our customers, but we are not seeing RFP's come with explicit ask for what they are offering right now. So, we haven't seen that. Although we have been taking it to market and speaking to our customers, but we haven't seen an uptick yet, actually.

**Mahesh Kumar**

Well, all countries are coming with data protection policies. So that's where this product fits.

**Nisha Dutt**

That is correct. So, we are constantly doing that. In DPDP they have really done -- they have started doing very well because of DPTP in India. But for whatever reason, we are not seeing it from the other regions yet.

**Mahesh Kumar**

UK so it also has a similar policy. European Union is also having similar policy.

**Nisha Dutt**

That is correct, but we haven't seen it translated into requirements yet.

**Mahesh Kumar**

So, they may not be having access to the market. That is where Subex can give access, because Subex already has touch points there.

**Nisha Dutt**



No, no, that's what we are doing. That's exactly what I'm saying, that that is exactly what we are doing. We are talking to our customers, but we haven't heard telcos actually talking about what he has to offer or data privacy yet in that sense.

What data privacy they are talking about, we can cater to. Our products are anyways privacy by design, right. We do a lot of PII information that we deal with. So, we take care of some of the privacy issues by design. But the AI drifting of models, AI security, that is something that we haven't seen an explicit ask yet, but it's a fast-evolving area. So, you're right. That's something that's on a --

**Mahesh Kumar**

No, because that, it will be a regulatory compliance requirement in the future.

**Moderator**

Mahesh sir, I am very sorry for to interrupt you. Could you join back the queue, please?

**Mahesh Kumar**

No, this is the last question. See, this is a regulatory compliance market. So, by default, you will come. Like Regex is there. So similarly, things, it will come for AI also.

**Nisha Dutt**

For sure. You're right. And that's why we continue to --

**Mahesh Kumar**

That's why we should have that, so more stake in the company and the product well integrated with solution or come up with the new product.

**Nisha Dutt**

I think with the valuation that they are going after -- going at, we may not -- we'll see if we are able to increase our rate.

**Mahesh Kumar**

Okay. Thank you.

**Nisha Dutt**



Thank you.

**Moderator**

Thank you. Next is a follow-up question from Jitendra Bhutoria, an individual investor. Please go ahead.

**Jitendra Bhutoria**

Yes. See, I would like to know that we have made that investment in OnGrid, 104 shares we took, 0.75% of that equity of that company. Now, what is the valuation of that company as of date, or whether any -- we have planned to increase the stake or divest our stake in that company?

**Nisha Dutt**

No. So this was if you remember, OnGrid, Jitendra was when we sold our business to them, right. We sold IDC to them, and we did an all-equity deal. So, we are we continue to hold shares there. They are actually also doing very well. So luckily for us, both OnGrid and PrivaSapien continue to do well.

What we'll do is, in Q4, typically when we close our Q4, we'll do mark-to-market and fair market valuation then. We generally do it at the end of the year where we ask for all their financials, although we are always in touch. But we typically will do a mark-to-market and say -- record the gains from that transaction into the book at the end of the Q4. So you will be able to get better clarity in Q4 of what our gains have been, but they continue to do very well.

**Jitendra Bhutoria**

But I just wanted to know whether that OnGrid has done any further dilution in their equity? Because our 0.75% would have been much lower if they have done some QAP or maybe waste of the cash.

**Nisha Dutt**

No. Actually, they seem to -- they are positive. They are cash rich. They are positive, and they are profitable. No dilution has happened. In fact, they've issued bonus shares also recently.

**Jitendra Bhutoria**

Okay, that's great. Then we are holding then maybe more share instead of 104.

**Nisha Dutt**



Yeah. Correct.

**Jitendra Bhutoria**

Thank you.

**Nisha Dutt**

Thank you.

**Moderator**

Thank you. As there are no further questions, now I hand over the floor to the management team for the closing comments.

**Nisha Dutt**

No. Thank you all for joining the call. Again, I think please keep asking us questions to keep us sharp. A lot of good questions I think this time on FraudZap and everything else. So, we'll keep you posted.

Again, we are looking to close the year well and embark on the next year. We are in the process of doing our AOP and budgeting and figuring out which product goes to which geography. So, a lot of those questions, we are also in the process of answering right now, which we will do this quarter. But, again, I look forward to all your support. Thank you for always being there, always showing up, keeping us sharp.

So, if you have any further questions that we haven't been able to answer today, please write to us. But as it stands, I think thank you for your support. I think we are on a good journey here, and we are very happy to have you on this journey with us. So, thank you, and I look forward to speaking to you again next quarter.

**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.