

Tejas Networks Limited

(All amounts in Rupees Crore except for share data or as otherwise stated)

Consolidated Balance Sheet as at	Notes	September 30, 2018	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4(a)	27.66	35.98
Intangible assets	4(b)	50.27	38.75
Intangible assets under development	4(b)	48.24	46.85
Financial assets			
Investments	5(a)	0.00	0.00
Trade receivables	6	61.28	34.84
Loans	8	5.36	5.44
Other financial assets	9	0.04	0.04
Income Tax Asset (net)	10(a)	32.84	32.01
Deferred Tax Asset	10(b)	131.16	121.16
Other non-current assets	11	0.25	0.34
Total non - current assets		357.10	315.41
Current assets			
Inventories	12	165.40	190.89
Financial assets			
Investments	5(b)	10.71	76.52
Trade receivables	6	436.05	275.71
Cash and cash equivalents	7(i)	28.13	214.19
Bank balances other than above	7(ii)	130.57	21.76
Loans	8	0.85	0.62
Other financial assets	9	301.94	213.40
Other current assets	11	21.74	21.27
Total current assets		1,095.39	1,014.36
Total assets		1,452.49	1,329.77
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	94.67	94.09
Other equity	14	1,149.46	1,057.99
Total equity		1,244.13	1,152.08
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	1.00	1.00
Provisions	16	1.74	1.14
Total non - current liabilities		2.74	2.14
Current liabilities			
Financial liabilities			
Trade payables	17	132.13	105.03
Other financial liabilities	18	51.95	53.30
Provisions	16	8.85	6.89
Current tax liabilities (net)	19	3.91	-
Other current liabilities	20	8.78	10.33
Total current liabilities		205.62	175.55
Total liabilities		208.36	177.69
Total equity and liabilities		1,452.49	1,329.77

Tejas Networks Limited

(All amounts in Rupees Crore except for share data or as otherwise stated)

Consolidated Statement of Profit and Loss	Notes	Quarter ended		Six months ended			Year ended
		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
I Revenue from operations	21	207.03	235.83	216.13	442.86	435.44	767.44
II Other Income	22	10.87	9.65	6.47	20.52	10.97	27.83
III Total income (I + II)		217.90	245.48	222.60	463.38	446.41	795.27
IV EXPENSES							
Cost of materials consumed	23	111.19	111.64	116.79	222.83	225.09	382.42
Excise duty		-	-	-	-	17.64	17.64
Employee benefit expense	24	29.81	32.56	23.43	62.37	46.21	92.26
Finance costs	25	4.07	3.32	1.54	7.39	8.36	13.40
Depreciation and amortization expense	4(c)	15.04	17.20	17.29	32.24	34.15	61.27
Other expenses	26	21.40	29.12	29.50	50.52	55.10	122.24
Total expenses (IV)		181.51	193.84	188.55	375.35	386.55	689.23
V Profit before tax (III - IV)		36.39	51.64	34.05	88.03	59.86	106.04
VI Income tax expense							
Current tax	27	7.91	11.61	7.18	19.52	12.55	23.78
Deferred tax (benefit)	27	(5.00)	(5.00)	-	(10.00)	-	(24.26)
Total tax expense (VI)		2.91	6.61	7.18	9.52	12.55	(0.48)
VII Profit after tax (V - VI)		33.48	45.03	26.87	78.51	47.31	106.52
VIII Other comprehensive income							
Items that will not be reclassified to profit or loss							
Remeasurements of the defined benefit obligation		(0.32)	(0.07)	(1.07)	(0.39)	(1.45)	(2.05)
Income tax relating to above		0.06	0.02	-	0.08	-	0.44
Items that will be reclassified to profit or loss							
Exchange differences on translation of foreign operations		2.41	(0.77)	(0.08)	1.64	(0.05)	(0.15)
Other comprehensive income for the year, net of tax (VIII)		2.15	(0.82)	(1.15)	1.33	(1.50)	(1.76)
IX Total comprehensive income for the period (VII + VIII)		35.63	44.21	25.72	79.84	45.81	104.76
X Earnings per equity share							
Equity shares of par value Rs. 10 each							
Basic		3.67	4.95	3.00	8.62	5.80	12.41
Diluted		3.48	4.70	2.84	8.17	5.46	11.73
Weighted average equity shares used in computing earning per equity share							
Basic		9,12,68,735	9,09,03,642	8,96,08,609	9,10,87,186	8,15,33,478	8,58,58,425
Diluted		9,62,64,598	9,58,14,581	9,48,37,536	9,60,83,049	8,67,62,405	9,08,27,823

Consolidated Statement of Cash Flows	Period ended	
	September 30, 2018	March 31, 2018
Cash flows from operating activities		
Profit before tax for the year	88.03	106.04
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortization expense	32.24	61.27
Provision for doubtful debts	3.25	3.39
Bad trade and other receivables, loans and advances written off	4.45	-
Provision for doubtful trade and other receivables, loans and advances released	(1.28)	-
Provision for doubtful advances	-	1.55
Interest Income	(15.87)	(18.68)
Dividend Income	-	(0.09)
(Gain)/Loss on current investment carried at fair value through profit or loss	(0.09)	(0.85)
(Gain)/Loss on sale of current investment carried at fair value through profit or loss	(1.57)	(2.58)
Finance costs recognized in profit or loss	7.39	13.40
Unrealized Exchange Difference on transactions in foreign currency cash held in foreign currencies	-	0.15
Unrealised Exchange Difference (Net)	(4.06)	1.41
Liabilities no longer required written back	-	(1.19)
Profit on sale of property, plant and equipment	(0.03)	(0.01)
Loss on sale of property, plant and equipment	0.07	-
Expense recognized in respect of equity-settled share-based payments	7.80	5.69
	<u>120.33</u>	<u>169.50</u>
Movements in working capital:		
(Increase)/decrease in inventories	25.49	(9.18)
(Increase)/decrease in trade receivables	(185.17)	81.62
(Increase)/decrease in loans	(0.14)	14.96
(Increase)/decrease in other financial assets	(2.40)	(0.15)
(Increase)/decrease in other assets	(0.68)	5.19
Increase/(decrease) in trade and other payables	28.09	(2.27)
Increase/(decrease) in provisions	2.17	(0.76)
Increase/(decrease) in other financial liabilities	(1.96)	15.56
Increase/(decrease) in other liabilities	(1.54)	(2.23)
Cash generated from operations	(15.81)	272.24
Income taxes paid	(16.36)	(32.75)
a) Net cash generated by/ (used in) operating activities	(32.17)	239.49
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangible assets/including under developments	(36.28)	(68.10)
Sale of property, plant and equipment	0.05	0.01
Investment in Deposits with banks and financial institutions not considered as cash and cash equivalents (Net)	(188.31)	(87.64)
Purchase of financial assets - liquid mutual funds and fixed maturity plan securities	67.47	(73.09)
Interest received	6.06	15.96
Dividend received	-	0.09
b) Net cash (used in) investing activities	(151.01)	(212.77)
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company net of issue expenses	4.41	467.69
Issue related expenses- IPO	-	(19.32)
Proceeds from movement in other equity	-	0.03
Repayment of borrowings	0.10	(279.21)
Exchange Differences on repayment of borrowing	-	1.27
Interest paid	(7.39)	(13.90)
c) Net cash generated by/ (used in) financing activities	(2.88)	156.56
d) Net increase/(decrease) in cash and cash equivalents	(186.06)	183.28
Cash and cash equivalents at the beginning of the year	214.19	31.06
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	(0.15)
Cash & cash equivalents at the end of the period [Refer Note 7(i)]	28.13	214.19

Tejas Networks Limited
Consolidated Statement of Changes in Equity

(All amounts in Rupees Crore except for share data or as otherwise stated)

A. Equity Share Capital

Particulars	Note	Amount
As at April 1, 2017*		74.01
Increase in equity share capital on account of exercise of ESOP	13	2.57
Increase in equity share capital on account of IPO	13	17.51
As at March 31, 2018*		94.09
Increase in equity share capital on account of exercise of ESOP	13	0.58
As at September 30, 2018*		94.67

* Includes forfeited shares of Rs. 3.27

B. Other Equity

Particulars	Note	Reserves and Surplus			Other Reserves		Share application money pending allotment	Total
		Securities premium reserve	Retained earnings	Employee stock compensation reserve	Foreign Currency Translation Reserve	Trust		
Balance as at April 1, 2017		487.48	15.86	15.77	(0.35)	0.17	-	518.93
Profit for the year	14	-	106.52	-	-	-	-	106.52
Other comprehensive income	14	-	(1.61)	-	0.15	-	-	(1.46)
Total comprehensive income for the year		-	104.91	-	0.15	-	-	105.06
Transaction with owners in their capacity as owners:								
Premium on issue on account of IPO	14	432.49	-	-	-	-	-	432.49
Premium on issue on account of exercise of ESOP	14	15.12	-	-	-	-	-	15.12
Share issue expenses	14	(19.33)	-	-	-	-	-	(19.33)
Share based payment expenses	24	-	-	5.69	-	-	-	5.69
Issue of equity shares, on exercise of options	14	6.32	-	(6.32)	-	-	-	-
Others	14	-	0.20	-	-	(0.17)	-	0.03
Balance as at March 31, 2018		922.08	120.97	15.14	(0.20)	-	-	1,057.99
Balance as at April 1, 2018		922.08	120.97	15.14	(0.20)	-	-	1,057.99
Profit for the year	14	-	78.51	-	-	-	-	78.51
Other comprehensive income	14	-	(0.31)	-	1.64	-	-	1.33
Total comprehensive income for the year		-	78.20	-	1.64	-	-	79.84
Transaction with owners in their capacity as owners:								
Premium on issue on account of exercise of ESOP	14	3.82	-	-	-	-	-	3.82
Share based payment expenses	24	-	-	7.80	-	-	-	7.80
Issue of equity shares, on exercise of options	14	2.06	-	(2.06)	-	-	-	-
Share application money pending allotment	14	-	-	-	-	-	0.01	0.01
Balance as at September 30, 2018		927.96	199.17	20.88	1.44	-	0.01	1,149.46

Note No. 4(a): Property, Plant and Equipment

Particulars	Laboratory Equipment	Networking Equipment	Electrical Installation	Furniture and Fixtures	Office Equipment	Computing Equipment	Vehicles	R&D Cards	Servers	Total
Gross carrying value as of April 1, 2017	11.14	0.39	5.83	4.73	0.42	2.06	0.04	11.95	0.65	37.21
Additions ¹	5.67	0.13	0.46	0.89	0.31	2.54	0.19	7.53	0.55	18.27
Deletions	-	-	-	0.08	-	-	-	-	-	0.08
Gross carrying value as of March 31, 2018	16.81	0.52	6.29	5.54	0.73	4.60	0.23	19.48	1.20	55.40
Accumulated depreciation as of April 1, 2017	(1.14)	(0.12)	(0.79)	(1.41)	(0.14)	(0.63)	(0.01)	(4.87)	(0.11)	(9.22)
Depreciation for the year	(1.42)	(0.14)	(0.82)	(0.84)	(0.20)	(1.23)	(0.02)	(5.42)	(0.18)	(10.27)
Accumulated depreciation on deletions	-	-	-	(0.07)	-	-	-	-	-	(0.07)
Accumulated depreciation as of March 31, 2018	(2.56)	(0.26)	(1.61)	(2.18)	(0.34)	(1.86)	(0.03)	(10.29)	(0.29)	(19.42)
Carrying value as of March 31, 2018	14.25	0.26	4.68	3.36	0.39	2.74	0.20	9.19	0.91	35.98
Gross carrying value as of April 1, 2018	16.81	0.52	6.29	5.54	0.73	4.60	0.23	19.48	1.20	55.40
Additions	1.29	0.09	0.09	0.16	0.08	0.98	-	-	0.68	3.37
Deletions	-	-	0.38	0.31	0.04	0.01	0.09	-	-	0.83
Gross carrying value as of September 30, 2018	18.10	0.61	6.00	5.39	0.77	5.57	0.14	19.48	1.88	57.94
Accumulated depreciation as of April 1, 2018	(2.56)	(0.26)	(1.61)	(2.18)	(0.34)	(1.86)	(0.03)	(10.29)	(0.29)	(19.42)
Depreciation for the year	(3.54)	(0.12)	(2.80)	(2.37)	(0.08)	(0.84)	(0.05)	(1.58)	(0.21)	(11.59)
Accumulated depreciation on deletions	-	-	(0.34)	(0.26)	(0.04)	-	(0.09)	-	-	(0.73)
Accumulated depreciation as of September 30, 2018	(6.10)	(0.38)	(4.07)	(4.29)	(0.38)	(2.70)	0.01	(11.87)	(0.50)	(30.28)
Carrying value as of September 30, 2018	12.00	0.23	1.93	1.10	0.39	2.87	0.15	7.61	1.38	27.66

Note: The Group had received approval under Modified Special Incentive Package Scheme (MSIPS) from the Ministry of Communication and Information Technology, Department of Information Technology, vide sanction letter no. 27(18)/2013-IPHW dated December 05, 2014. Under the said scheme, the Group as on September 30, 2018, has submitted claims aggregating to Rs. 3.19 (March 31, 2018 - Rs. 3.19) which has not been adjusted to the cost of respective assets, as the same is contingent upon receipt of approval as to the final amount of eligible claim.

¹ Additions to R&D cards represent inventories capitalized (Refer Note 23).

Tejas Networks Limited

Notes to the unaudited consolidated financial statements for the period ended September 30, 2018

(All amounts in Rupees Crore except for share data or as otherwise stated)

Note No. 4(b): Intangible Assets

Particulars	Computer Software	Product Development	Total	Intangible under development ¹
Gross carrying value as of April 1, 2017	3.80	107.49	111.29	18.62
Additions	4.01	21.65	25.66	49.21
Deletions	-	-	-	20.98
Gross carrying value as of March 31, 2018	7.81	129.14	136.95	46.85
Accumulated amortization as of April 1, 2017	(2.06)	(45.14)	(47.20)	-
Amortization expenses for the year	(3.13)	(47.87)	(51.00)	-
Accumulated amortization on deletions	-	-	-	-
Accumulated amortization as of March 31, 2018	(5.19)	(93.01)	(98.20)	-
Carrying value as of March 31, 2018	2.62	36.13	38.75	46.85
Gross carrying value as of April 1, 2018	7.81	129.14	136.95	46.85
Additions	3.22	28.95	32.17	30.34
Deletions	-	-	-	28.95
Gross carrying value as of September 30, 2018	11.03	158.09	169.12	48.24
Accumulated amortization as of April 1, 2018	(5.19)	(93.01)	(98.20)	-
Amortization expenses for the year	(2.72)	(17.93)	(20.65)	-
Accumulated amortization on deletions	-	-	-	-
Accumulated amortization as of September 30, 2018	(7.91)	(110.94)	(118.85)	-
Carrying value as of September 30, 2018	3.12	47.15	50.27	48.24

¹ Additions pertain to capitalization of employee benefit expense and other expenses (Refer note 24 and Note 26).

Note No. 4(c): Depreciation and amortization expenses

Particulars	Period ended	Year ended
	September 30, 2018	March 31, 2018
Depreciation on property, plant and equipment	11.59	10.27
Amortization of intangible assets	20.65	51.00
Total depreciation and amortization expenses	32.24	61.27

Tejas Networks Limited

Notes to the unaudited consolidated financial statements for the period ended September 30, 2018

(All amounts in Rupees Crore except for share data or as otherwise stated)

Note No. 5: Investments

Particulars	As at			
	September 30, 2018		March 31, 2018	
5(a) Other Investments (Unquoted) {FVTPL}				
Equity instruments of others				
Investment in ELCIA ESDM Cluster (No. of shares 1100)		0.00		0.00
Total non-current investments		0.00		0.00
5(b) Current investments (Quoted) {FVTPL}				
		Number of units	Amount	Number of units
				Amount
Investment in Mutual funds				
Aditya Birla Sun Life floating rate direct plan growth	2,41,975	7.00	2,56,649	5.95
Reliance liquid fund direct plan growth	8,440	3.71	76,153	21.38
IDFC money manager fund direct plan growth		-	28,94,490	8.08
Reliance quarterly interval fund direct plan growth		-	1,05,27,025	25.27
Reliance monthly interval fund direct plan growth		-	21,72,270	5.03
Axis liquid fund direct plan growth		-	56,066	10.81
Total current investments		10.71		76.52

Tejas Networks Limited

Notes to the unaudited consolidated financial statements for the period ended September 30, 2018

(All amounts in Rupees Crore except for share data or as otherwise stated)

Note No. 6: Trade Receivables

Particulars	As at	
	September 30, 2018	March 31, 2018
Non-Current		
<i>Unsecured, considered good</i>		
Trade receivables	61.28	34.84
Total non current	61.28	34.84
Current		
<i>Unsecured, considered good</i>		
Trade receivables	436.05	275.71
<i>Unsecured, considered doubtful</i>		
Trade receivables	14.84	7.64
Less: Allowance for doubtful debts	(14.84)	(7.64)
Total current	436.05	275.71

Note No. 7: Cash and Bank Balances

Particulars	As at	
	September 30, 2018	March 31, 2018
(i) Cash and Cash Equivalents		
<i>(a) Balances with banks</i>		
(i) In current accounts*	8.25	12.87
(ii) In EEFC accounts	2.94	3.47
<i>(b) Deposits with original maturity of less than three months</i>	16.94	197.85
Total cash and cash equivalents	28.13	214.19
(ii) Other Bank Balances		
Deposits with original maturity of more than three months but less than twelve months	130.53	16.95
Balances held as margin money or security against borrowings or guarantees	0.04	4.81
Total other bank balances	130.57	21.76

* includes Rs. 0.33 (March 31, 2018 - Rs. 0.29) which is subject to repatriation restriction.

Tejas Networks Limited**Notes to the unaudited consolidated financial statements for the period ended September 30, 2018**

(All amounts in Rupees Crore except for share data or as otherwise stated)

The details of balances with banks as on Balance Sheet dates are as follows:

Particulars	As at	
	September 30, 2018	March 31, 2018
a) Current Accounts		
Axis Bank	0.04	0.46
Citibank, India	0.16	0.25
Citibank, Dubai	0.73	0.68
Citibank, Singapore	-	0.01
Fleet Bank, USA	0.41	1.16
HSBC Bank, India	0.01	0.01
HSBC Bank, Bangladesh	0.33	0.29
HSBC Bank, Singapore	0.13	0.32
HSBC Bank, Israel	-	0.04
Indian Bank	0.01	0.01
Kotak Mahindra Bank	0.02	0.98
RBL Bank	0.17	0.07
Standard Chartered Bank, India	4.47	6.23
Standard Chartered Bank, Nairobi	0.16	0.10
Standard Chartered Bank, Singapore	1.20	0.34
Standard Chartered Bank, Kuala Lumpur	0.10	-
State Bank of India	0.27	1.90
Vijaya Bank	0.04	0.02
	8.25	12.87
b) EEFC Accounts		
Citibank, India	2.84	3.41
Standard Chartered Bank, India	0.10	0.06
	2.94	3.47
c) Deposits with original maturity of less than three months		
Axis Bank	-	23.12
IndusInd Bank	15.12	-
Kotak Mahindra Bank	1.82	17.80
RBL Bank	-	25.53
Standard Chartered Bank, India	-	26.38
State Bank of India	-	105.00
Vijaya Bank	-	0.02
	16.94	197.85
d) Deposits with original maturity of more than three months but less than twelve months		
HDFC Bank	105.00	-
IndusInd Bank	-	15.13
Kotak Mahindra Bank	0.01	1.82
RBL Bank	25.52	-
	130.53	16.95

Tejas Networks Limited

Notes to the unaudited consolidated financial statements for the period ended September 30, 2018

(All amounts in Rupees Crore except for share data or as otherwise stated)

Note No. 8: Loans

Particulars	As at	
	September 30, 2018	March 31, 2018
Non-current		
<i>Unsecured, considered good (at amortised cost)</i>		
Security deposits	5.36	5.44
Total non-current	5.36	5.44
Current		
<i>Unsecured, considered good (at amortised cost)</i>		
Security deposits	-	0.10
Loans to employees	0.85	0.52
Total current	0.85	0.62

Note No. 9: Other Financial Assets

Particulars	As at	
	September 30, 2018	March 31, 2018
Non-current financial assets		
Deposits with original maturity of more than twelve months		
In deposit accounts	0.04	0.04
Total non-current financial assets	0.04	0.04
Current financial assets		
Deposits with financial institutions	284.50	205.00
Unbilled Revenue	4.62	1.81
Interest accrued but not due	12.82	3.01
Focus Product Scheme receivable - Gross	-	4.86
Less: Provision	-	1.28
Focus Product Scheme receivable - Net	-	3.58
Total current financial assets	301.94	213.40

Tejas Networks Limited

Notes to the unaudited consolidated financial statements for the period ended September 30, 2018

(All amounts in Rupees Crore except for share data or as otherwise stated)

Note No. 10: Current tax assets (net)

Particulars	As at	
	September 30, 2018	March 31, 2018
10(a) Income Tax Asset		
Advance Income Tax (net)	32.84	32.01
	32.84	32.01
10(b) Deferred Tax Asset		
The balance comprises temporary differences attributable to:		
Provisions allowable on payment basis	2.48	2.48
Difference between carrying amount of property, plant and equipment in financials and the income tax return	4.11	4.11
Unabsorbed depreciation	16.95	16.95
Tax Credits	107.62	97.62
Total	131.16	121.16

Significant estimates:

The Group has recognised deferred tax assets on carried forward tax losses effective the Ind AS transition date. The Group has estimated that the deferred tax assets will be recoverable using the estimated future taxable income. The unabsorbed depreciation and tax credits can be carried forward indefinitely as per local tax regulations and the Group expects to recover these through future taxable profits.

Note No. 11: Other assets

Particulars	As at	
	September 30, 2018	March 31, 2018
Other non-current assets		
Prepaid expenses	0.25	0.34
Total other non-current assets	0.25	0.34
Other current assets		
(a) Advances to suppliers	10.10	5.03
(b) Advances others	0.68	0.55
(c) Balances with government authorities (other than income taxes)	2.97	9.25
(d) Prepaid expenses	7.99	6.44
Total other current assets (a)+(b)+(c)+(d)	21.74	21.27

Note No. 12: Inventories

Particulars	As at	
	September 30, 2018	March 31, 2018
(a) Raw material - components including assemblies and sub-assemblies (including goods in transit Rs. 6.65 (March 2018: Rs. 16.83))	165.40	190.89
Total Inventories	165.40	190.89

Tejas Networks Limited

Notes to the unaudited consolidated financial statements for the period ended September 30, 2018

(All amounts in Rupees Crore except for share data or as otherwise stated)

Note No. 13: Equity Share Capital

Particulars	Number of Shares	Equity share capital
Authorised Capital		
As at April 01, 2017	17,64,52,000	176.45
Equity shares of face value of Rs. 10/- each	17,64,52,000	176.45
Increase during the year	-	-
As at March 31, 2018	17,64,52,000	176.45
Equity shares of face value of Rs. 10/- each	17,64,52,000	176.45
Increase during the year	-	-
As at September 30, 2018	17,64,52,000	176.45
Issued, Subscribed and Paid up Capital		
Equity Share Capital of Rs. 10/- each		
As at April 1, 2017	7,07,33,411	70.74
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	25,75,622	2.57
Issue of equity shares from IPO	1,75,09,727	17.51
As at March 31, 2018	9,08,18,760	90.82
Issue of equity shares under employee share option plan	5,81,467	0.58
As at September 30, 2018	9,14,00,227	91.40
Forfeited shares (to the extent of amount paid up)		
As at April 1, 2017	3,27,27,930	3.27
Transaction during the year	-	-
As at March 31, 2018	3,27,27,930	3.27
Transaction during the period	-	-
As at September 30, 2018	3,27,27,930	3.27
	As at	
	September 30, 2018	March 31, 2018
Total Equity Share Capital	94.67	94.09

Tejas Networks Limited

Notes to the unaudited consolidated financial statements for the period ended September 30, 2018

(All amounts in Rupees Crore except for share data or as otherwise stated)

Note No. 14: Other Equity

Particulars	As at	
	September 30, 2018	March 31, 2018
Securities premium reserve	927.96	922.08
Retained earnings	199.17	120.97
Employee stock compensation reserve	20.88	15.14
Foreign Currency Translation Reserve	1.44	(0.20)
Share application money pending allotment	0.01	-
Total Other Equity	1,149.46	1,057.99

(i) Securities premium reserve

Particulars	As at	
	September 30, 2018	March 31, 2018
Opening Balance	922.08	487.48
Premium on issue on account of IPO	-	432.49
Premium on issue on account of exercise of ESOP	3.82	15.12
Share issue costs	-	(19.33)
Issue of equity shares, on exercise of options	2.06	6.32
Closing Balance	927.96	922.08

(ii) Retained earnings

Particulars	As at	
	September 30, 2018	March 31, 2018
Opening Balance	120.97	15.86
Profit for the year	78.51	106.52
Others	-	0.20
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
Remeasurements of the post employment benefit obligation	(0.31)	(1.61)
Closing Balance	199.17	120.97

(iii) Employee stock compensation reserve

Particulars	As at	
	September 30, 2018	March 31, 2018
Opening Balance	15.14	15.77
Share based payment expenses	7.80	5.69
Issue of equity shares, on exercise of options	(2.06)	(6.32)
Closing Balance	20.88	15.14

(iv) Foreign Currency Translation Reserve

Particulars	As at	
	September 30, 2018	March 31, 2018
Opening Balance	(0.20)	(0.35)
Transaction during the period	1.64	0.15
Closing Balance	1.44	(0.20)

(v) Share application money pending allotment

Particulars	As at	
	September 30, 2018	March 31, 2018
Opening Balance	-	-
Transaction during the period	0.01	-
Closing Balance	0.01	-

Tejas Networks Limited

Notes to the unaudited consolidated financial statements for the period ended September 30, 2018

(All amounts in Rupees Crore except for share data or as otherwise stated)

Note No. 15: Non Current Borrowings

Particulars	As at	
	September 30, 2018	March 31, 2018
Unsecured financial support under Technology Development & Demonstration Programme (TDDP) of DSIR	2.37	2.27
Less: Current maturities of long term debt (Refer Note 18) Repayable in the form of annual Royalties @ 26% of total grant received for a period of 5 years from the date of commercialization.	1.37	1.27
Total borrowings	1.00	1.00

Note No. 16: Provisions

Particulars	As at	
	September 30, 2018	March 31, 2018
Non current provisions		
Other provisions		
Warranty	1.74	1.14
Total non current provisions	1.74	1.14
Current provisions		
Provision for employee benefits		
Compensated absences*	3.79	1.89
Gratuity	1.87	0.73
Other provisions		
Warranty	3.19	4.27
Total current provisions	8.85	6.89

* The amount of provision of Rs. 3.79 (March 31, 2018 Rs. 1.89) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

Details of Provision for warranty

Provision for warranty has been estimated based on historical quantum of replacements absorbed in cost of sales

Particulars	As at	
	September 30, 2018	September 30, 2018
Opening balance	5.41	5.37
Unwinding of interest on provisions	0.23	0.48
Additions	0.14	1.03
Discounting of provision	(0.29)	(0.36)
Utilisation	(0.56)	(1.11)
Closing balance	4.93	5.41
Disclosed as:		
Non-current	1.74	1.14
Current	3.19	4.27
	4.93	5.41

Tejas Networks Limited**Notes to the unaudited consolidated financial statements for the period ended September 30, 2018**

(All amounts in Rupees Crore except for share data or as otherwise stated)

Note No. 17: Trade Payables

Particulars	As at	
	September 30, 2018	March 31, 2018
Trade payables for goods & services	110.21	96.36
Acceptances	21.92	8.67
Total trade payables	132.13	105.03

Note No. 18: Other Financial Liabilities

Particulars	As at	
	September 30, 2018	March 31, 2018
Current		
Current maturities of long-term debt	1.37	1.27
Due to employees	19.87	18.60
Capital Creditors	0.64	4.04
Accrual for expenses	29.90	29.18
Other liabilities	0.17	0.21
Total other financial liabilities	51.95	53.30

Note No. 19: Current Tax Liabilities (Net)

Particulars	As at	
	September 30, 2018	March 31, 2018
Current income tax liabilities	3.91	-
Total Current Tax Liabilities (Net)	3.91	-

Note No. 20: Other Current Liabilities

Particulars	As at	
	September 30, 2018	March 31, 2018
Advances received from customers	0.79	0.88
Deferred revenue	2.58	4.36
Statutory dues	5.41	5.09
Total other current liabilities	8.78	10.33

Tejas Networks Limited
Notes to the unaudited consolidated financial statements for the period ended September 30, 2018

(All amounts in Rupees Crore except for share data or as otherwise stated)

Note No. 21: Revenue from Operations

Particulars	Quarter ended		Six months ended			Year ended March 31, 2018
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	
Revenue from sale of goods (including excise duty)						
Manufactured goods - Optical and Data Networking products including multiplexers	183.85	223.36	205.83	407.21	413.36	679.83
Component sales	4.34	3.79	1.23	8.13	2.79	9.93
	<u>188.19</u>	<u>227.15</u>	<u>207.06</u>	<u>415.34</u>	<u>416.15</u>	<u>689.76</u>
Revenue from rendering of services						
Installation and commissioning revenue	2.67	1.40	1.68	4.07	4.65	31.12
Annual maintenance revenue	12.00	6.26	6.73	18.26	12.53	32.84
Other service revenue	3.69	0.55	0.66	4.24	1.82	13.43
	<u>18.36</u>	<u>8.21</u>	<u>9.07</u>	<u>26.57</u>	<u>19.00</u>	<u>77.39</u>
Other operating income						
Export Incentive	0.48	0.47	-	0.95	0.29	0.29
	<u>0.48</u>	<u>0.47</u>	<u>-</u>	<u>0.95</u>	<u>0.29</u>	<u>0.29</u>
Total revenue from operations	<u>207.03</u>	<u>235.83</u>	<u>216.13</u>	<u>442.86</u>	<u>435.44</u>	<u>767.44</u>

Note No. 22: Other Income

Particulars	Quarter ended		Six months ended			Year ended March 31, 2018
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	
Interest income from bank on deposits	6.71	7.30	3.82	14.01	5.57	14.50
Dividend Income	-	-	-	-	-	0.09
Gain/(Loss) on current investment carried at fair value through profit or loss	0.17	(0.08)	-	0.09	-	0.85
Gain/(Loss) on sale of current investment carried at fair value through profit or loss	0.41	1.16	-	1.57	-	2.58
Unwinding of discount on fair valuation of financials assets	0.90	0.96	1.15	1.86	2.30	4.18
Net gain on foreign currency transactions and translation (other than considered as finance cost)	0.92	-	1.38	0.92	2.86	4.39
Other non-operating income						
Receivables recovered	1.56	-	-	1.56	-	-
Profit on sale of property, plant and equipment	0.03	-	-	0.03	-	0.01
Miscellaneous income	0.17	0.31	0.12	0.48	0.24	1.23
Total other income	<u>10.87</u>	<u>9.65</u>	<u>6.47</u>	<u>20.52</u>	<u>10.97</u>	<u>27.83</u>

Note No. 23: Cost of Materials Consumed

Particulars	Quarter ended		Six months ended			Year ended March 31, 2018
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	
Opening stock	166.48	190.89	184.99	190.89	181.72	181.72
Add: Purchases	110.11	87.23	103.68	197.34	215.25	399.12
Less: Capitalized during the year [Refer Note 4(a)]	-	-	-	-	-	7.53
	<u>276.59</u>	<u>278.12</u>	<u>288.67</u>	<u>388.23</u>	<u>396.97</u>	<u>573.31</u>
Less: Closing stock	165.40	166.48	171.88	165.40	171.88	190.89
Cost of materials consumed	<u>111.19</u>	<u>111.64</u>	<u>116.79</u>	<u>222.83</u>	<u>225.09</u>	<u>382.42</u>

Note No. 24: Employee Benefit Expenses

Particulars	Quarter ended		Six months ended			Year ended March 31, 2018
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	
Salaries and wages, including performance incentives	39.42	38.19	30.79	77.61	61.42	123.23
Contribution to provident and other funds	1.51	1.46	1.22	2.97	2.39	4.94
Gratuity expenses	0.04	0.79	0.23	0.83	0.53	1.25
Employee share based payment expenses	2.49	5.31	1.78	7.80	3.53	5.69
Staff welfare expenses	1.24	1.30	1.30	2.54	2.47	5.30
	<u>44.70</u>	<u>47.05</u>	<u>35.32</u>	<u>91.75</u>	<u>70.34</u>	<u>140.41</u>
Less: Capitalized during the period [Refer Note 4(b)]	14.89	14.49	11.89	29.38	24.13	48.15
Total employee benefit expenses	<u>29.81</u>	<u>32.56</u>	<u>23.43</u>	<u>62.37</u>	<u>46.21</u>	<u>92.26</u>

Tejas Networks Limited
Notes to the unaudited consolidated financial statements for the period ended September 30, 2018

(All amounts in Rupees Crore except for share data or as otherwise stated)

Note No. 25: Finance Cost

Particulars	Quarter ended		Six months ended			Year ended March 31, 2018
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	
Interest expense						
(i) Borrowings	0.42	0.63	0.17	1.05	5.80	5.83
(ii) Delayed payment of taxes	-	-	-	-	0.09	-
(iii) Unwinding of discount on fair valuation of financial liabilities	0.17	0.17	0.22	0.34	0.44	0.88
Exchange differences regarded as an adjustment to borrowing costs	-	-	(0.28)	-	(0.56)	-
Other finance cost	3.48	2.52	1.43	6.00	2.59	6.69
Total finance cost	4.07	3.32	1.54	7.39	8.36	13.40

Note No. 26: Other Expenses

Particulars	Quarter ended		Six months ended			Year ended March 31, 2018
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	
Installation and commissioning expenses	2.61	2.20	3.08	4.81	7.54	24.03
Other processing charges	0.91	0.55	0.14	1.46	0.76	1.30
Power and fuel	1.24	1.34	0.99	2.58	2.12	4.16
Housekeeping and security	0.57	0.60	0.77	1.17	1.44	2.60
Rent including lease rentals	1.95	2.03	1.95	3.98	3.90	7.84
Repairs and maintenance - machinery	0.13	0.15	0.15	0.28	0.29	0.47
Repairs and maintenance - others	0.44	0.32	0.40	0.76	1.48	2.44
Sub-contractor charges	2.75	2.13	1.65	4.88	2.29	6.47
Insurance	0.10	0.09	0.17	0.19	0.38	0.65
Rates and taxes	0.05	0.18	0.70	0.23	1.09	1.78
Communication	0.27	0.35	0.26	0.62	0.62	1.29
Royalty	0.33	0.29	1.48	0.62	1.48	0.83
Travelling and conveyance	3.38	4.71	4.00	8.09	7.18	15.03
Printing and stationery	0.10	0.06	0.11	0.16	0.19	0.38
Freight and forwarding	(0.74)	0.09	0.50	(0.65)	(0.06)	1.31
Contract related expenses	-	-	6.83	-	11.46	16.01
Sales expenses	0.06	0.81	0.08	0.87	0.17	2.33
Sales commission	2.92	1.45	0.16	4.37	3.97	10.75
Business promotion	0.47	0.38	0.30	0.85	0.45	1.36
Donations	-	-	0.01	-	0.01	0.01
Director sitting fees	0.04	0.02	0.04	0.06	0.09	0.14
Director commission	-	-	-	-	-	0.29
Legal and professional	3.39	3.60	2.83	6.99	5.24	13.46
Auditors remuneration and out-of-pocket expenses	-	-	-	-	-	-
As auditors	0.07	0.11	0.14	0.18	0.28	0.50
For taxation matters	-	-	0.10	-	0.10	-
Auditors out-of-pocket expenses	-	0.03	-	0.03	0.01	0.04
Net loss on foreign currency transactions and translation (other than considered as finance cost)	0.02	0.72	-	0.74	-	-
Bad trade and other receivables and loans and advances written off	-	4.45	-	4.45	-	-
Less:- Allowance for doubtful trade and other receivables, loans and advances released	-	(1.28)	-	(1.28)	-	-
Provision for advances	-	-	0.96	-	0.96	1.55
Provision for doubtful trade and other receivables (net)	0.22	3.03	2.19	3.25	2.09	3.39
Provision for diminution in value of investment	-	-	-	-	-	-
Provision for warranty	(0.18)	0.04	(0.11)	(0.14)	0.18	0.67
Loss on sale of property, plant and equipment	0.07	-	-	0.07	-	-
Expenditure on corporate social responsibility	-	-	-	-	-	0.54
Miscellaneous expenses	0.73	1.13	(0.27)	1.86	0.03	1.68
	21.90	29.58	29.61	51.48	55.74	123.30
Less: Capitalized during the period [Refer Note 4(b)]	0.50	0.46	0.11	0.96	0.64	1.06
Total other expenses	21.40	29.12	29.50	50.52	55.10	122.24

Note No. 27: Income Tax Expense

Particulars	Quarter ended		Six months ended			Year ended March 31, 2018
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	
a. Current tax						
Current tax on profits for the year	7.91	11.61	7.18	19.52	12.55	23.78
Adjustments of prior periods	-	-	-	-	-	-
Total current tax expense	7.91	11.61	7.18	19.52	12.55	23.78
b. Deferred tax						
Decrease/(increase) in deferred tax assets	(5.00)	(5.00)	-	(10.00)	-	(24.26)
(Decrease)/increase in deferred tax liabilities	-	-	-	-	-	-
Total deferred tax expense/(benefit)	(5.00)	(5.00)	-	(10.00)	-	(24.26)
Total Income tax (expense)	2.91	6.61	7.18	9.52	12.55	(0.48)