

Tejas Networks Limited

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

Consolidated Unaudited Balance Sheet as at	Notes	September 30, 2022	March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4(a)	58.91	40.09
Capital work in progress		3.98	-
Right-of-use assets	4(a)	52.49	14.56
Intangible assets	4(b)	85.73	83.20
Intangible assets under development	4(b)	68.44	39.61
Goodwill		355.21	-
Financial assets			
(i) Investments	5(a)	0.00	0.00
(ii) Trade receivables	6	10.89	7.07
(iii) Other financial assets	8	8.11	5.71
Current tax asset (net)	9(a)	37.73	35.63
Deferred tax assets	9(b)	110.57	111.33
Other non-current assets	10	30.48	23.19
Total non - current assets		822.54	360.39
Current assets			
Inventories	11	399.46	278.02
Financial assets			
(i) Investments	5(b)	309.32	401.78
(ii) Trade receivables	6	369.16	285.09
(iii) Cash and cash equivalents	7(i)	83.68	47.56
(iv) Bank balances other than (iii) above	7(ii)	658.26	299.68
(v) Other financial assets	8	371.21	363.16
Other current assets	10	122.60	74.44
Total current assets		2,313.69	1,749.73
Total assets		3,136.23	2,110.12
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	155.38	117.82
Other equity	13	2,492.80	1,812.43
Total equity		2,648.18	1,930.25
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	14	48.32	11.95
(iii) Other financial liabilities	17	150.52	-
Provisions	15	2.41	0.49
Total non - current liabilities		201.25	12.44
Current liabilities			
Financial liabilities			
(i) Lease liabilities	14	8.96	7.81
(ii) Trade payables	16		
(a) Total outstanding dues of micro enterprises and small enterprises		28.87	11.48
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		171.07	100.09
(iii) Other financial liabilities	17	30.12	22.48
Provisions	15	14.58	6.92
Other current liabilities	18	33.20	18.65
Total current liabilities		286.80	167.43
Total liabilities		488.05	179.87
Total equity and liabilities		3,136.23	2,110.12

Tejas Networks Limited

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

Consolidated Unaudited Statement of Profit and Loss	Notes	Quarter ended			Period Ended		Year Ended
		September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
I Revenue from operations	19	219.94	125.76	172.78	345.70	317.03	550.59
II Other Income	20	20.05	18.69	4.17	38.74	12.55	43.30
III Total income (I + II)		239.99	144.45	176.95	384.44	329.58	593.89
IV Expenses							
Cost of materials consumed	21A	115.39	67.40	91.05	182.79	157.01	290.74
Purchases of stock in trade		7.08	8.93	1.79	16.01	11.07	23.69
Changes in inventories of stock in trade	21B	(3.40)	0.28	(0.24)	(3.12)	(1.67)	(3.65)
Employee benefit expense	22	48.51	37.96	32.12	86.47	61.72	134.43
Finance costs	23A	4.87	0.94	0.90	5.81	2.16	3.19
Depreciation and amortization expense	4(c)	25.82	23.37	18.28	49.19	34.67	76.78
Allowance for expected credit loss	23B	(8.24)	(4.71)	5.14	(12.95)	6.30	87.76
Other expenses	24	39.06	23.22	24.58	62.28	46.65	98.08
Total expenses (IV)		229.09	157.39	173.62	386.48	317.91	711.02
V Profit/(Loss) before tax (III - IV)		10.90	(12.94)	3.33	(2.04)	11.67	(117.13)
VI Income tax expense	25						
Current tax		1.36	(0.89)	0.19	0.47	1.63	0.19
Deferred tax expense/(benefit)		8.47	(5.41)	(0.52)	3.06	(1.17)	(54.61)
Total tax expense (VI)		9.83	(6.30)	(0.33)	3.53	0.46	(54.42)
VII Profit/(Loss) after tax (V - VI)		1.07	(6.64)	3.66	(5.57)	11.21	(62.71)
VIII Other comprehensive income/(loss)							
Items that will not be reclassified to profit or loss							
Remeasurements of defined benefit obligation		(3.13)	(0.05)	(1.90)	(3.18)	(1.85)	(2.08)
Income tax relating to above		0.56	-	0.33	0.56	0.32	-
Items that will be reclassified to profit or loss							
Exchange differences on translation of foreign operations		0.13	0.22	0.45	0.35	0.46	0.89
Other comprehensive income/(loss) for the period, net of tax (VIII)		(2.44)	0.17	(1.12)	(2.27)	(1.07)	(1.19)
IX Total comprehensive income/(loss) for the period (VII + VIII)		(1.37)	(6.47)	2.54	(7.84)	10.14	(63.90)
X Earnings/(Loss) per equity share							
Equity shares of par value Rs. 10 each							
Basic		0.07	(0.45)	0.37	(0.37)	1.17	(5.97)
Diluted		0.07	(0.45)	0.30	(0.37)	0.93	(5.97)
Weighted average equity shares used in computing earnings per equity share							
Basic		15,16,39,508	14,86,17,496	9,85,89,967	15,01,36,759	9,59,81,843	10,50,19,617
Diluted		16,38,33,828	14,86,17,496	12,39,44,451	15,01,36,759	12,09,77,666	10,50,19,617

A. Equity share capital

Particulars	Note	Amount
As at April 1, 2021*		96.51
Increase in equity share capital on account of exercise of ESOP and RSU	12	1.93
Issue of equity shares under Private Placement		19.38
As at March 31, 2022*		117.82
Increase in equity share capital on account of exercise of ESOP and RSU	12	0.74
Issue of equity shares under Private Placement		36.82
As at September 30, 2022*		155.38

* Includes forfeited shares of Rs. 3.27

B. Other equity

Particulars	Note	Share application money pending allotment	Reserves and surplus			Money received against share warrants	Exchange differences on translating the financial statements of a foreign operation	Total
			Securities premium	Employee stock compensation outstanding account	Retained earnings			
Balance as at April 1, 2021		-	951.27	33.12	52.28	-	1.02	1,037.69
(Loss)/Profit for the year	13	-	-	-	(62.71)	-	-	(62.71)
Other comprehensive income/(loss) (Remeasurement of defined benefit obligation net of income tax)	13	-	-	-	(2.08)	-	-	(2.08)
Other comprehensive income /(loss) (Exchange differences on translation of foreign operations)	13	-	-	-	-	-	0.89	0.89
Total comprehensive (loss)/income for the year		-	-	-	(64.79)	-	0.89	(63.90)
Transaction with owners in their capacity as owners:								
Premium received on exercise of ESOP	13	-	9.51	-	-	-	-	9.51
Premium received on Issue of shares through Private placement	13	-	480.62	-	-	-	-	480.62
Private Placement Shares issue expense	13	-	(0.19)	-	-	-	-	(0.19)
Employee share based payment expenses	22	-	-	11.20	-	-	-	11.20
Reclassification upon exercise of ESOP/RSU	13	-	15.03	(15.03)	-	-	-	-
Money received against share warrants		-	-	-	-	337.50	-	337.50
Balance as at March 31, 2022		-	1,456.24	29.29	(12.51)	337.50	1.91	1,812.43
Balance as at April 1, 2022		-	1,456.24	29.29	(12.51)	337.50	1.91	1,812.43
(Loss)/Profit for the period	13	-	-	-	(5.57)	-	-	(5.57)
Other comprehensive (loss)/income (Remeasurement of defined benefit obligation net of income tax)	13	-	-	-	(2.61)	-	-	(2.61)
Other comprehensive (loss)/income (Exchange differences on translation of foreign operations)	13	-	-	-	-	-	0.35	0.35
Total comprehensive (loss)/income for the period		-	-	-	(8.18)	-	0.35	(7.83)
Transaction with owners in their capacity as owners:								
Premium received on exercise of ESOP	13	-	2.95	-	-	-	-	2.95
Premium received on Issue of shares through Private placement	13	-	913.18	-	-	-	-	913.18
Employee share based payment expenses	22	-	-	9.46	-	-	-	9.46
Reclassification upon exercise of ESOP/RSU	13	-	6.88	(6.88)	-	-	-	-
Employee share application money pending allotment	13	0.11	-	-	-	-	-	0.11
Conversion of share warrants	13	-	-	-	-	(237.50)	-	(237.50)
Balance as at September 30, 2022		0.11	2,379.25	31.87	(20.69)	100.00	2.26	2,492.80

Consolidated Unaudited Statement of Cash Flows	Notes	Period Ended	
		September 30, 2022	Year Ended March 31, 2022
Cash flows from operating activities			
Profit/(Loss) before tax for the period		(2.04)	(117.13)
Adjustments to reconcile net profit/(loss) to net cash generated from operating activities:			
Depreciation and amortization expense	4(c)	49.19	76.78
Allowance for expected credit loss	23B	(12.95)	87.76
Interest Income	20	(23.99)	(26.76)
Gain on current investments carried at fair value through statement of profit and loss	20	0.43	(0.48)
Gain on sale of current investments carried at fair value through statement of profit and loss	20	(12.83)	(8.57)
Finance costs	23A	5.81	3.19
Unrealized Exchange Difference on cash held in foreign currencies		2.31	0.22
Unrealised Exchange Differences (Net)		(4.61)	(0.16)
Loss/ (profit) on sale of property, plant and equipment	20	-	(0.01)
Expense recognized in respect of equity-settled share-based payments	22	9.46	11.20
		<u>10.78</u>	<u>26.04</u>
Movements in working capital:			
(Increase)/decrease in inventories		(106.60)	(64.37)
(Increase)/decrease in trade receivables		(52.36)	35.83
(Increase)/decrease in other financial assets		(9.29)	(7.93)
(Increase)/decrease in other assets		(41.80)	(33.94)
Increase/(decrease) in trade and other payables		75.86	18.79
Increase/(decrease) in provisions		3.47	(0.69)
Increase/(decrease) in other financial liabilities		(2.69)	(28.94)
Increase/(decrease) in other liabilities		0.76	8.60
Cash used in operations		(121.87)	(46.61)
Income taxes refund/(paid)		1.70	29.28
a) Net cash used in operating activities		(120.17)	(17.33)
Cash flows from investing activities			
Expenditure on property, plant and equipment		(15.03)	(30.74)
Expenditure on intangible assets (including under development)		(66.00)	(86.61)
Sale proceeds of property, plant and equipment		-	0.01
Investments in Deposits with banks		(389.61)	(271.56)
Withdrawals of Deposits from banks		32.86	136.13
Investments in Deposits with financial institutions		-	(976.79)
Withdrawals of Deposits from financial institutions		2.97	733.00
Investments in liquid mutual funds		(2,603.32)	(2,369.67)
Redemption of liquid mutual funds		2,708.17	2,014.32
Investment in subsidiary net of cash		(240.18)	-
Interest received		21.16	24.16
b) Net cash used in investing activities		(548.98)	(827.75)
Cash flows from financing activities			
Proceeds from exercise of restricted stock units/ESOPs		3.80	11.44
Proceeds from Issue of Fresh Equity shares through Private Placement (Net of Issue Expenses)		712.50	499.81
Proceeds from Issue/(conversion) of Share Warrants		-	337.50
Principal repayment on lease liabilities		(2.99)	(6.24)
Interest payment on lease liabilities		(2.15)	(2.10)
Finance costs paid		(3.58)	(0.98)
c) Net cash generated from financing activities		707.58	839.43
d) Net increase/(decrease) in cash and cash equivalents		38.43	(5.65)
Cash and cash equivalents at the beginning of the year [Refer Note No. 7(i)]		47.56	53.43
Effects of exchange rate changes on the balance of cash held in foreign currencies		(2.31)	(0.22)
Cash and cash equivalents at the end of the period [Refer Note No. 7(i)]		83.68	47.56

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

Particulars	Laboratory Equipment	Networking Equipment	Electrical Installation	Furniture and Fixtures	Office Equipment	Computing Equipment	Vehicles	Plant and Machinery - Cards/Prototypes and Others	Servers	Total	Right-of-use asset*
Gross carrying value as of April 1, 2021	24.51	1.15	7.34	9.63	1.88	9.18	0.14	36.81	4.25	94.89	26.52
Additions	8.94	0.53	0.22	0.11	0.46	2.48	-	13.34	1.46	27.54	4.59
Deletions	-	-	-	-	-	0.01	-	-	-	0.01	2.32
Gross carrying value as of March 31, 2022	33.45	1.68	7.56	9.74	2.34	11.65	0.14	50.15	5.71	122.42	28.79
Accumulated depreciation as of April 1, 2021	(17.24)	(0.72)	(6.20)	(6.97)	(1.13)	(6.86)	(0.09)	(24.09)	(2.11)	(65.41)	(10.42)
Depreciation for the year	(3.78)	(0.21)	(0.47)	(0.99)	(0.41)	(1.58)	(0.04)	(8.57)	(0.88)	(16.93)	(6.13)
Accumulated depreciation on deletions	-	-	-	-	-	(0.01)	-	-	-	(0.01)	(2.32)
Accumulated depreciation as of March 31, 2022	(21.02)	(0.93)	(6.67)	(7.96)	(1.54)	(8.43)	(0.13)	(32.66)	(2.99)	(82.33)	(14.23)
Carrying value as of March 31, 2022	12.43	0.75	0.89	1.78	0.80	3.22	0.01	17.49	2.72	40.09	14.56
Gross carrying value as of April 1, 2022	39.17	1.68	7.82	10.02	2.64	13.77	0.14	50.15	5.71	131.10	39.81
Additions	12.41	0.59	0.46	0.77	0.52	2.79	-	3.17	1.54	22.25	35.93
Deletions	-	-	-	-	-	0.02	-	-	-	0.02	-
Gross carrying value as of September 30, 2022	51.58	2.27	8.28	10.79	3.16	16.54	0.14	53.32	7.25	153.33	75.74
Accumulated depreciation as of April 1, 2022	(22.04)	(0.93)	(6.75)	(8.04)	(1.63)	(9.27)	(0.13)	(32.66)	(2.99)	(84.44)	(18.70)
Depreciation for the period	(3.18)	(0.15)	(0.24)	(0.63)	(0.25)	(1.35)	(0.01)	(3.58)	(0.61)	(10.00)	(4.55)
Accumulated depreciation on deletions	-	-	-	-	-	(0.02)	-	-	-	(0.02)	-
Accumulated depreciation as of September 30, 2022	(25.22)	(1.08)	(6.99)	(8.67)	(1.88)	(10.60)	(0.14)	(36.24)	(3.60)	(94.42)	(23.25)
Carrying value as of September 30, 2022	26.36	1.19	1.29	2.12	1.28	5.94	-	17.08	3.65	58.91	52.49

* Right-of-use asset pertains to buildings

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Notes to the unaudited consolidated financial statements for the period ended September 30, 2022

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

Note No. 4(b): Intangible Assets

Particulars	Computer Software	Product Development	Patent	Total	Intangible Assets under development (IAUD)
Gross carrying value as of April 1, 2021	21.94	279.50	-	301.44	24.49
Additions	6.98	64.51	-	71.49	79.63
Transfers	-	-	-	-	64.51
Gross carrying value as of March 31, 2022	28.92	344.01	-	372.93	39.61
Accumulated amortization as of April 1, 2021	(20.96)	(215.05)	-	(236.01)	-
Amortization expenses for the year	(4.26)	(49.46)	-	(53.72)	-
Accumulated amortization and impairment as of March 31, 2022	(25.22)	(264.51)	-	(289.73)	-
Carrying value as of March 31, 2022	3.70	79.50	-	83.20	39.61
Gross carrying value as of April 1, 2022	29.64	344.01	2.81	376.46	39.61
Additions	2.07	35.04	-	37.11	63.87
Transfers	-	-	-	-	35.04
Gross carrying value as of September 30, 2022	31.71	379.05	2.81	413.57	68.44
Accumulated amortization as of April 1, 2022	(25.88)	(264.51)	(2.81)	(293.20)	-
Amortization expenses for the period	(2.85)	(31.79)	-	(34.64)	-
Accumulated amortization as of September 30, 2022	(28.73)	(296.30)	(2.81)	(327.84)	-
Carrying value as of September 30, 2022	2.98	82.75	-	85.73	68.44

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

Particulars	Period ended	Year ended
	September 30,	March 31, 2022
Depreciation on property, plant and equipment [Refer Note No. 4(a)]	10.00	16.93
Depreciation on right of use assets [Refer Note No. 4(a)]	4.55	6.13
Amortization of intangible assets [Refer Note No. 4(b)]	34.64	53.72
Total depreciation and amortization expense	49.19	76.78

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Notes to the unaudited consolidated financial statements for the period ended September 30, 2022

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

Note No. 5: Investments

Particulars	As at			
	September 30, 2022	March 31, 2022		
5(a) Other Investments (Unquoted) {FVTPL}				
Equity instruments				
Investment in ELCIA ESDM Cluster (No. of shares 1100)	0.00	0.00		
Total unquoted investments	0.00	0.00		
5(b) Current investments (Quoted) {FVTPL}				
Investment in Mutual funds	Number of units	Amount	Number of units	Amount
Aditya Birla Sun Life Liquid Fund - Growth Direct Plan	-	-	3,50,686	12.03
Axis Liquid Fund - Direct Growth (CFDG)	-	-	53,448	12.64
ICICI Prudential Liquid Fund - Direct Plan - Growth	-	-	3,44,166	10.85
Nippon India Money Market Fund - Direct Growth Plan Growth Option - LQAG	-	-	15,767	5.28
Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option - LFAG	-	-	5,763	3.00
Nippon India Interval Fund - Quarterly Plan - Series I - Direct Growth Plan Growth Option - DCAG	-	-	35,55,504	10.10
Nippon India Overnight Fund - Direct Growth Plan (ONAGG)	2,57,24,963	300.32	-	-
Tata Liquid Fund Direct Plan - Growth	-	-	10,35,206	347.88
Tata Overnight Fund - Direct Plan - Growth	78,499	9.00	-	-
Total current investments		309.32		401.78

Tejas Networks Limited**Notes to the unaudited consolidated financial statements for the period ended September 30, 2022**

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

Note No. 6: Trade Receivables

Particulars	As at	
	September 30, 2022	March 31, 2022
Non-Current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	11.08	7.71
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: Allowance for expected credit loss	(0.19)	(0.64)
Total non current	10.89	7.07
Current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	476.57	402.59
Receivables from related parties considered good - unsecured	17.65	19.80
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: Allowance for expected credit loss	(125.06)	(137.30)
Total current	369.16	285.09

Note No. 7: Cash and Bank Balances

Particulars	As at	
	September 30, 2022	March 31, 2022
(i) Cash and Cash Equivalents		
<i>(a) Balances with banks</i>		
(i) In current accounts	19.05	32.26
(ii) In EEFC accounts	9.34	15.30
<i>(b) Deposits with original maturity of less than three months</i>	55.28	-
<i>(c) Cash in hand</i>	0.01	-
Total cash and cash equivalents	83.68	47.56
(ii) Other Bank Balances		
Balances with banks in unpaid dividend account	0.03	0.03
Deposits with original maturity of more than three months but less than twelve months	655.28	296.77
Balances held as margin money or security against fund and non-fund based banking arrangements	2.95	2.88
Total other bank balances	658.26	299.68

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Notes to the unaudited consolidated financial statements for the period ended September 30, 2022

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

The details of balances with banks (all in India, unless stated otherwise) and deposits with financial institutions as on Balance Sheet dates are as follows:

Particulars	As at	
	September 30, 2022	March 31, 2022
a) Current Accounts		
Axis Bank	0.14	0.79
Citibank	0.06	0.04
Citibank, Dubai	0.22	0.05
Citibank, Mexico	0.01	0.01
Citibank, USA	1.02	1.07
HDFC Bank	4.95	-
Indian Overseas Bank	0.08	-
ICICI Bank	0.05	0.00
Kotak Mahindra Bank	0.03	13.78
Standard Chartered Bank	9.82	14.18
Standard Chartered Bank, Nairobi	0.42	0.27
Standard Chartered Bank, Singapore	1.85	1.88
Standard Chartered Bank, Kuala Lumpur	0.09	0.11
Standard Chartered Bank, South Africa	0.12	0.07
State Bank of India	0.19	0.01
	19.05	32.26
b) EEFC Accounts		
Citibank	0.42	0.45
Silicon Valley Bank, California	4.56	-
State Bank of India	2.34	-
HDFC Bank	0.25	-
Standard Chartered Bank	1.77	14.85
	9.34	15.30
c) Deposits with original maturity of less than three months		
Karnataka Bank	50.00	-
HDFC Bank	5.28	-
	55.28	-
d) Balances with banks in unpaid dividend account		
Axis Bank	0.03	0.03
	0.03	0.03
e) Deposits with original maturity of more than three months but less than twelve months		
Axis Bank	166.20	153.76
Citibank	-	0.44
IndusInd Bank	127.75	47.76
Karnataka Bank	50.00	70.00
Kotak Mahindra Bank	6.63	12.17
Standard Chartered Bank	-	2.64
State Bank of India	254.70	-
Yes Bank	50.00	10.00
	655.28	296.77
f) Balances held as margin money or security against fund and non-fund based banking arrangements for less than twelve months		
Axis Bank	0.45	0.45
HDFC Bank	0.23	-
Kotak Mahindra Bank	1.62	1.78
State Bank of India	0.65	0.65
	2.95	2.88
Total cash and cash equivalent excluding cash in hand (a+b+c)	83.67	47.56
Total other bank balances with maturity more than three months but less than twelve months (d+e+f)	658.26	299.68
h) Deposits with remaining maturity of more than twelve months (Refer Note 8)		
Citibank	-	0.22
	-	0.22

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Notes to the unaudited consolidated financial statements for the period ended September 30, 2022

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

h) Deposits with original maturity of more than twelve months but remaining maturity of less than twelve months (Refer Note 8)

Citibank	2.07	1.15
	2.07	1.15

i) Deposits with financial institutions (Refer Note No. 8)

Bajaj Finance Limited	306.00	306.00
HDFC Limited	25.00	25.00
Mahindra & Mahindra Financial Services Limited	17.82	20.79
	348.82	351.79

Tejas Networks Limited

Notes to the unaudited consolidated financial statements for the period ended September 30, 2022

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

Note No. 8: Other Financial Assets

Particulars	As at	
	September 30, 2022	March 31, 2022
Non-current financial assets		
Security deposits	8.20	5.58
Less: Provision	(0.09)	(0.09)
	8.11	5.49
Deposits with remaining maturity of more than twelve months		
(i) In deposit accounts	-	0.22
Total non-current financial assets	8.11	5.71
Current financial assets		
Security deposits	0.70	0.61
Deposits with financial institutions	348.82	351.79
Interest accrued but not due	3.54	0.96
Deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	2.07	1.15
Foreign exchange forward contracts	-	0.60
Other receivables	16.08	8.05
Total current financial assets	371.21	363.16

Note No. 9: Tax assets

Particulars	As at	
	September 30, 2022	March 31, 2022
9(a) Current Tax Asset (net)		
Advance Income Tax (net)	37.73	35.63
	37.73	35.63
9(b) Deferred Tax Assets		
The balance comprises temporary differences attributable to:		
Difference between tax base and carrying amounts of asset and liabilities (including expenses deductible upon payment)	17.79	16.71
Lease liabilities	8.31	6.90
Unabsorbed depreciation	47.81	48.67
MAT credit	44.68	44.14
Total deferred tax assets	118.59	116.42
Right-of-use assets	(8.02)	(5.09)
Net deferred tax assets	110.57	111.33

Tejas Networks Limited**Notes to the unaudited consolidated financial statements for the period ended September 30, 2022**

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

Note No. 10: Other assets

Particulars	As at	
	September 30, 2022	March 31, 2022
Other non-current assets		
Pre-paid gratuity contributions (asset)	-	0.23
Prepaid expenses	0.31	0.43
Capital Advances	7.46	6.93
Balances with government authorities	22.71	15.60
Total other non-current assets	30.48	23.19
Other current assets		
Advances to suppliers	52.34	32.57
Advances others	0.02	0.03
Balances with government authorities	62.05	38.90
Prepaid expenses	6.68	2.82
Advances to employees	1.51	0.12
Total other current assets	122.60	74.44

Note No. 11: Inventories

Particulars	As at	
	September 30, 2022	March 31, 2022
Raw material - components including assemblies and sub-assemblies [including goods in transit Rs. NIL (March 31, 2022: Rs. 0.28)]	395.09	274.37
Traded Goods	4.37	3.65
Total Inventories	399.46	278.02

Tejas Networks Limited

Notes to the unaudited consolidated financial statements for the period ended September 30, 2022

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

Note No. 12: Equity Share Capital

Particulars	Number of Shares	Equity share capital
a) Authorised Capital		
Equity Share Capital of Rs. 10/- each		
As at April 01, 2021	17,64,52,000	176.45
Changes in equity share capital during the year		
Increase during the year	2,35,48,000	23.55
As at March 31, 2022	20,00,00,000	200.00
Changes in equity share capital during the period		
Increase during the period	6,00,00,000	60.00
As at September 30, 2022	26,00,00,000	260.00
b) Issued, Subscribed and Paid up Capital		
Equity Share Capital of Rs. 10/- each		
Fully paid shares		
As at April 01, 2021	9,32,40,344	93.24
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan and restricted stock unit plan	19,29,719	1.93
Issue of equity shares under Private Placement	1,93,79,845	19.38
As at March 31, 2022	11,45,49,908	114.55
Changes in equity share capital during the period		
Issue of equity shares under employee share option plan and restricted stock unit plan	7,38,248	0.74
Issue of equity shares under Private Placement	3,68,21,706	36.82
As at September 30, 2022	15,21,09,862	152.11
c) Forfeited shares (to the extent of amount paid up)*		
As at April 1, 2021	3,27,27,930	3.27
Transaction during the year	-	-
As at March 31, 2022	3,27,27,930	3.27
Transaction during the period	-	-
As at September 30, 2022	3,27,27,930	3.27
As at		
	September 30, 2022	March 31, 2022
Total Equity Share Capital	155.38	117.82

* 3,27,27,930 partly paid equity shares issued by the Company to the Tejas Employees Welfare Trust (TEWT) on July 11, 2010, were forfeited on July 25, 2016.

Tejas Networks Limited

Notes to the unaudited consolidated financial statements for the period ended September 30, 2022

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

Note No. 13: Other Equity

Particulars	As at	
	September 30, 2022	March 31, 2022
Securities premium	2,379.25	1,456.24
Retained earnings	(20.69)	(12.51)
Employee stock compensation outstanding account	31.87	29.29
Money received against share warrants	100.00	337.50
Foreign Currency Translation Reserve	2.26	1.91
Share application money pending allotment	0.11	-
Total Other Equity	2,492.80	1,812.43

(i) Securities premium

Particulars	As at	
	September 30, 2022	March 31, 2022
Opening Balance	1,456.24	951.27
Premium received upon exercise of ESOP	2.95	9.51
Premium received on Issue of shares through Private placement	913.18	480.62
Private Placement Shares issue expense	-	(0.19)
Reclassification upon exercise of ESOP/RSU	6.88	15.03
Closing Balance	2,379.25	1,456.24

(ii) Retained earnings

Particulars	As at	
	September 30, 2022	March 31, 2022
Opening Balance	(12.51)	52.28
(Loss)/Profit for the period	(5.57)	(62.71)
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
Remeasurements of the post employment benefit obligation	(2.61)	(2.08)
Closing Balance	(20.69)	(12.51)

(iii) Employee stock compensation outstanding account

Particulars	As at	
	September 30, 2022	March 31, 2022
Opening Balance	29.29	33.12
Share based payment expenses	9.46	11.20
Reclassification upon exercise of ESOP/RSU	(6.88)	(15.03)
Closing Balance	31.87	29.29

(iv) Foreign Currency Translation Reserve

Particulars	As at	
	September 30, 2022	March 31, 2022
Opening Balance	1.91	1.02
Transaction during the period	0.35	0.89
Closing Balance	2.26	1.91

Tejas Networks Limited**Notes to the unaudited consolidated financial statements for the period ended September 30, 2022**

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

(v) Money received against share warrants

Particulars	As at	
	September 30, 2022	March 31, 2022
Opening Balance	337.50	-
Transaction during the period	(237.50)	337.50
Closing Balance	100.00	337.50

(vi) Share application money pending allotment

Particulars	As at	
	September 30, 2022	March 31, 2022
Opening Balance	-	-
Transaction during the period	0.11	-
Closing Balance	0.11	-

Tejas Networks Limited

Notes to the unaudited consolidated financial statements for the period ended September 30, 2022

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

Note No. 14: Lease Liabilities

Particulars	As at	
	September 30, 2022	March 31, 2022
Non-Current		
Lease Liabilities	48.32	11.95
Total non-current	48.32	11.95
Current		
Lease Liabilities	8.96	7.81
Total current	8.96	7.81

Note No. 15: Provisions

Particulars	As at	
	September 30, 2022	March 31, 2022
Non-current provisions		
Provision for employee benefits		
Gratuity	1.14	-
Other provisions		
Warranty	1.27	0.49
Total non-current provisions	2.41	0.49
Current provisions		
Provision for employee benefits		
Compensated absences	8.03	5.47
Gratuity	4.37	-
Other provisions		
Warranty	2.18	1.45
Total current provisions	14.58	6.92

Movement in Warranty

Provision for warranty has been estimated based on past history of claims settled.

Particulars	As at	
	September 30, 2022	March 31, 2022
Opening balance	1.94	1.21
Unwinding of interest on provisions	0.08	0.11
Additions/(reversals)	8.37	3.76
Utilisation	(6.94)	(3.14)
Closing balance	3.45	1.94

Disclosed as:

Non-current	1.27	0.49
Current	2.18	1.45
	3.45	1.94

Tejas Networks Limited**Notes to the unaudited consolidated financial statements for the period ended September 30, 2022**

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

Note No. 16: Trade Payables

Particulars	As at	
	September 30, 2022	March 31, 2022
Total outstanding dues of micro and small enterprises (MSME)	28.87	11.48
Total outstanding dues of creditors other than micro and small enterprises	171.07	100.09
Total trade payables	199.94	111.57

Note No. 17: Other Financial Liabilities

Particulars	As at	
	September 30, 2022	March 31, 2022
Non-Current		
Merger Liability	150.52	-
Total Non-Current other financial liabilities	150.52	-
Current		
Due to employees	19.44	17.72
Capital Creditors	9.82	4.59
Unpaid dividend	0.03	0.03
Other liabilities	0.17	0.14
Liabilities on CSR	0.23	-
Foreign Exchange Forward Contracts	0.43	-
Total current other financial liabilities	30.12	22.48

Note No. 18: Other Current Liabilities

Particulars	As at	
	September 30, 2022	March 31, 2022
Advances received from customers	10.68	7.02
Deferred revenue	7.17	3.30
Statutory dues	15.35	8.33
Total other current liabilities	33.20	18.65

Tejas Networks Limited
Notes to the unaudited consolidated financial statements for the period ended September 30, 2022

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

Note No. 19: Revenue from Operations

Particulars	Quarter ended			Period Ended		Year Ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
Revenue from contract with customers						
Sale of goods						
Manufactured goods - Optical and Data Networking products including multiplexers*	190.29	110.00	151.65	300.29	281.50	479.49
	190.29	110.00	151.65	300.29	281.50	479.49
Rendering of services						
Installation and commissioning revenue	2.98	1.82	11.35	4.80	13.68	16.97
Annual maintenance revenue	12.22	13.38	9.43	25.60	19.72	49.02
Other service revenue	14.45	0.56	0.35	15.01	2.13	5.11
	29.65	15.76	21.13	45.41	35.53	71.10
Other operating income						
Total revenue from operations	219.94	125.76	172.78	345.70	317.03	550.59

* Includes sale of certain traded goods

Note No. 20: Other Income

Particulars	Quarter ended			Period Ended		Year Ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
Interest income from banks on deposits	13.82	9.84	4.39	23.66	7.64	24.11
(Loss)/Gain on current investments carried at fair value through statement of profit and loss	(1.65)	1.22	0.09	(0.43)	0.08	0.48
Gain on sale of current investments carried at fair value through statement of profit and loss	7.17	5.66	0.26	12.83	0.54	8.57
Unwinding of discount on fair valuation of financials assets	0.15	0.05	0.04	0.20	0.08	0.16
Net gain on foreign currency transactions and translation	0.31	-	(1.67)	0.31	1.79	3.13
Export Incentive	0.12	1.91	-	2.03	0.41	2.54
Other non-operating income						
Bad debts recovered	-	-	0.07	-	0.07	1.06
Profit on sale of property, plant and equipment	-	-	-	-	-	0.01
Interest on income tax refunds	0.13	-	0.93	0.13	1.72	2.49
Miscellaneous income	-	0.01	0.06	0.01	0.22	0.75
Total other income	20.05	18.69	4.17	38.74	12.55	43.30

Note No. 21A: Cost of Materials Consumed

Particulars	Quarter ended			Period Ended		Year Ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
Opening stock	319.00	274.37	200.66	274.37	213.65	213.65
Add: Purchases	191.48	112.03	116.75	303.51	169.72	351.46
	510.48	386.40	317.41	577.88	383.37	565.11
Less: Closing stock	395.09	319.00	226.36	395.09	226.36	274.37
Cost of materials consumed	115.39	67.40	91.05	182.79	157.01	290.74

Note No. 21B: Changes in inventories of stock in trade

Particulars	Quarter ended			Period Ended		Year Ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
Opening stock - stock in trade	6.41	3.65	1.43	6.69	-	-
Closing stock - stock in trade	9.81	3.37	1.67	9.81	1.67	3.65
Changes in inventories of stock in trade	(3.40)	0.28	(0.24)	(3.12)	(1.67)	(3.65)

Note No. 22: Employee benefit expense

Particulars	Quarter ended			Period Ended		Year Ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
Salaries and wages, including performance incentives	70.71	56.27	44.28	126.98	87.30	184.96
Contribution to provident and pension funds	2.90	2.57	2.07	5.47	4.06	8.39
Gratuity expenses	0.49	1.12	0.88	1.61	1.39	2.51
Employee share based payment expenses	6.17	3.29	2.09	9.46	3.88	11.20
Staff welfare expenses	1.65	1.06	3.09	2.71	4.19	7.00
	81.92	64.31	52.41	146.23	100.82	214.06
Less: Capitalized during the period [Refer Note No. 4(b)]	33.41	26.35	20.29	59.76	39.10	79.63
Total employee benefit expenses	48.51	37.96	32.12	86.47	61.72	134.43

Note No. 23A: Finance cost

Particulars	Quarter ended			Period Ended		Year Ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
Interest expense						
(i) Unwinding of discount on fair valuation of financial liabilities	4.56	0.75	0.57	5.31	1.18	2.21
Other finance cost	0.31	0.19	0.33	0.50	0.98	0.98
Total finance cost	4.87	0.94	0.90	5.81	2.16	3.19

Tejas Networks Limited

Notes to the unaudited consolidated financial statements for the period ended September 30, 2022

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

Note No. 23B: Allowance for expected credit loss

Particulars	Quarter ended			Period Ended		Year Ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
Allowance for expected credit loss	(8.24)	(4.71)	5.14	(12.95)	6.30	87.76
Total Allowance for expected credit loss	(8.24)	(4.71)	5.14	(12.95)	6.30	87.76

Note No. 24: Other Expenses

Particulars	Quarter ended			Period Ended		Year Ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
Installation and commissioning expenses	1.53	1.87	6.19	3.40	6.68	12.63
Other processing charges	1.03	0.06	0.05	1.09	0.20	1.19
Power and fuel	1.50	1.37	1.06	2.87	2.32	5.09
Housekeeping and security	0.92	0.69	0.71	1.61	1.31	2.55
Lease rentals	2.07	0.43	0.43	2.50	0.88	1.80
Repairs and maintenance - machinery	0.18	0.08	0.11	0.26	0.19	0.43
Repairs and maintenance - others	0.91	0.60	0.92	1.51	1.34	2.73
Sub-contractor charges	3.18	2.63	2.63	5.81	4.93	10.19
Cost of technical services	7.20	-	-	7.20	-	-
Insurance	0.53	0.25	0.34	0.78	0.52	1.28
Rates and taxes	0.80	0.16	0.43	0.96	0.51	5.60
Communication	0.36	0.34	0.29	0.70	0.56	1.04
Royalty	0.01	0.01	0.03	0.02	0.09	0.16
Travelling and conveyance	3.07	1.14	1.08	4.21	1.58	4.00
Printing and stationery	0.07	0.06	0.06	0.13	0.09	0.19
Freight and forwarding	1.27	0.19	1.52	1.46	7.63	10.24
Sales expenses	0.38	0.15	0.02	0.53	(0.17)	0.04
Sales commission	1.13	1.62	2.30	2.75	4.80	7.23
Business promotion	0.51	0.10	0.19	0.61	0.42	1.01
Director sitting fees	0.12	0.06	0.10	0.18	0.13	0.30
Director commission	-	-	-	-	-	0.48
Legal and professional	6.13	5.60	4.74	11.73	9.51	20.70
Auditors remuneration and out-of-pocket expenses						
Audit Fee (including fees for limited reviews)	0.19	0.16	0.13	0.35	0.27	0.63
Tax Audit Fee	-	-	-	-	-	0.03
Certification matters	0.01	-	0.04	0.01	0.05	0.09
Other services	-	0.15	-	0.15	-	-
Auditors out-of-pocket expenses	0.04	0.02	-	0.06	0.01	0.01
Net loss on foreign currency transactions and translation	1.27	0.03	0.02	1.30	0.02	-
Provision for warranty	4.53	3.84	0.42	8.37	1.30	3.76
Expenditure on corporate social responsibility	-	-	-	-	0.07	0.46
Subscription and Membership	3.21	0.80	0.31	4.01	0.56	1.44
Miscellaneous expenses	1.02	0.81	0.46	1.83	0.85	2.78
Total other expenses	43.17	23.22	24.58	66.39	46.65	98.08
Less: Capitalized during the year [Refer Note No. 4(b)]	4.11	-	-	4.11	-	-
Total other expenses	39.06	23.22	24.58	62.28	46.65	98.08

Note 1: Other expenses include R&D expenses under various line items [Refer Note No. 29.7 (ii)].

Note No. 25: Income Tax Expense

Particulars	Quarter ended			Period Ended		Year Ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
a. Current tax						
Tax on profits for the period	1.36	(0.89)	0.55	0.47	1.99	-
Adjustments for tax of prior periods	-	-	(0.36)	-	(0.36)	0.19
Total current tax expense	1.36	(0.89)	0.19	0.47	1.63	0.19
b. Deferred tax						
Decrease/(increase) in deferred tax assets	8.44	(5.41)	(0.52)	3.03	(1.17)	(54.61)
Total deferred tax (benefit)/expense	8.44	(5.41)	(0.52)	3.03	(1.17)	(54.61)
Total Income tax (benefit)/expense	9.80	(6.30)	(0.33)	3.50	0.46	(54.42)