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Tejas Networks Limited

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

Consolidated Balance Sheet as at	Notes	March 31, 2022	March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4(a)	40.09	29.48
Right-of-use assets	4(a)	14.56	16.10
Intangible assets	4(b)	83.20	65.43
Intangible assets under development	4(b)	39.61	24.49
Financial assets			
(i) Investments	5(a)	0.00	0.00
(ii) Trade receivables	6	7.07	72.97
(iii) Other financial assets	8	5.71	6.91
Current Tax Asset (net)	9(a)	35.63	62.61
Deferred Tax Assets	9(b)	111.33	56.72
Other non-current assets	10	23.19	6.98
Total non - current assets		**360.39**	**341.69**
Current assets			
Inventories	11	278.02	213.65
Financial assets			
(i) Investments	5(b)	401.78	37.37
(ii) Trade receivables	6	285.09	341.03
(iii) Cash and cash equivalents	7(i)	47.56	53.43
(iv) Bank balances other than (iii) above	7(ii)	299.68	164.09
(v) Other financial assets	8	363.16	110.30
Other current assets	10	74.44	50.32
Total current assets		**1,749.73**	**970.19**
Total assets		**2,110.12**	**1,311.88**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	117.82	96.51
Other equity	13	1,812.43	1,037.69
Total equity		**1,930.25**	**1,134.20**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	14	11.95	17.07
Provisions	15	0.49	0.69
Total non - current liabilities		**12.44**	**17.76**
Current liabilities			
Financial liabilities			
(i) Lease liabilities	14	7.81	4.83
(ii) Trade payables	16		
(a) Total outstanding dues of micro enterprises and small enterprises		11.48	11.84
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		100.09	80.38
(iii) Other financial liabilities	17	22.48	47.26
Provisions	15	6.92	5.22
Other current liabilities	18	18.65	10.39
Total current liabilities		**167.43**	**159.92**
Total liabilities		**179.87**	**177.68**
Total equity and liabilities		**2,110.12**	**1,311.88**

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date.

for **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number (FRN 012754N/N500016)

Mohan Danivas S A
Partner
Membership no: 209136

for **and on behalf of the Board of Directors of Tejas Networks Limited**

Balakrishnan V
Chairman and Director
(DIN:02825465)

Sanjay Nayak
CEO and Managing Director
(DIN:01049871)

Chandrashekar Bhaskar Bhave
Director
(DIN:00059856)

Arnob Roy
COO and Whole Time Director
(DIN:03176672)

Place : Bengaluru
Date : April 22, 2022

Venkatesh Gadiyar
Chief Financial Officer

N R Ravikrishnan
General Counsel, Chief Compliance Officer & Company Secretary

Tejas Networks Limited

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

Consolidated Statement of Profit and Loss		**Notes**	**Year Ended March 31, 2022**	**2021**
I	Revenue from operations	19	550.59	526.60
II	Other Income	20	43.30	24.85
III	**Total income (I + II)**		**593.89**	**551.45**
IV	**Expenses**			
	Cost of materials consumed	21A	290.74	268.74
	Purchases of stock in trade		23.69	-
	Changes in inventories of stock in trade	21B	(3.65)	-
	Employee benefit expense	22	134.43	116.33
	Finance costs	23A	3.19	3.70
	Depreciation and amortization expense	4(c)	76.78	52.12
	Allowance for expected credit loss	23B	87.76	14.80
	Other expenses	24	98.08	73.24
	Total expenses (IV)		**711.02**	**528.93**
V	**Profit/(Loss) before tax (III - IV)**		**(117.13)**	**22.52**
VI	**Income tax expense**	25		
	Current tax		0.19	-
	Deferred tax expense/(benefit)		(54.61)	(15.02)
	Total tax expense (VI)		**(54.42)**	**(15.02)**
VII	**Profit/(Loss) after tax (V - VI)**		**(62.71)**	**37.54**
VIII	**Other comprehensive income/(loss)**			
	Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit obligation		(2.08)	2.21
	Income tax relating to above		-	-
	Items that will be reclassified to profit or loss			
	Exchange differences on translation of foreign operations		0.89	(0.19)
	Other comprehensive income/(loss) for the year, net of tax (VIII)		**(1.19)**	**2.02**
IX	**Total comprehensive income/(loss) for the year (VII + VIII)**		**(63.90)**	**39.56**
X	**Earnings/(Loss) per equity share (Refer Note No. 29.6)**			
	Equity shares of par value Rs. 10 each			
	Basic		(5.97)	4.06
	Diluted		(5.97)	3.99
	Weighted average equity shares used in computing earnings per equity share			
	Basic		10,50,19,617	9,25,53,796
	Diluted		10,50,19,617	9,41,28,273

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date.

for **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number (FRN 012754N/N500016)

Mohan Danivas S A
Partner
Membership no: 209136

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Chandrashekar Bhaskar Bhave
Director
(DIN:00059856)

Arnob Roy
COO and Whole Time Director
(DIN:03176672)

Place : Bengaluru
Date : April 22, 2022

Venkatesh Gadiyar
Chief Financial Officer

N R Ravikrishnan
General Counsel, Chief Compliance Officer & Company Secretary

Tejas Networks Limited

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

Consolidated Statement of Cash Flows	Notes	Year Ended March 31, 2022	2021
Cash flows from operating activities			
Profit/(Loss) before tax for the year		(117.13)	22.52
Adjustments to reconcile net profit/(loss) to net cash generated from operating activities:			
Depreciation and amortization expense	4(c)	76.78	52.12
Allowance for expected credit loss	23B	87.76	14.80
Interest Income	20	(26.76)	(20.27)
(Gain)/Loss on current investment carried at fair value through statement of profit and loss	20	(0.48)	0.18
Gain on sale of current investment carried at fair value through statement of profit and loss	20	(8.57)	(2.81)
Finance costs	23A	3.19	3.70
Unrealized Exchange Difference on cash held in foreign currencies*		0.22	0.00
Unrealised Exchange Differences (Net)		(0.16)	5.08
Loss/ (profit) on sale of property, plant and equipment	20	(0.01)	(0.01)
Expense recognized in respect of equity-settled share-based payments	22	11.20	8.00
		26.04	83.31
Movements in working capital:			
(Increase)/decrease in inventories		(64.37)	38.34
(Increase)/decrease in trade receivables		35.83	21.69
(Increase)/decrease in other financial assets		(7.93)	4.93
(Increase)/decrease in other assets		(33.94)	(11.95)
Increase/(decrease) in trade and other payables		18.79	17.70
Increase/(decrease) in provisions		(0.69)	(0.20)
Increase/(decrease) in other financial liabilities		(28.94)	5.16
Increase/(decrease) in other liabilities		8.60	3.44
Cash generated from/(used in) operations		**(46.61)**	**162.42**
Income taxes refund/(paid)		29.28	(4.77)
a) Net cash generated from/(used in) operating activities		**(17.33)**	**157.65**
Cash flows from investing activities			
Expenditure on property, plant and equipment		(30.74)	(14.16)
Expenditure on intangible assets (including under development)		(86.61)	(68.36)
Sale proceeds of property, plant and equipment		0.01	0.01
Investments in Deposits with banks		(271.56)	(238.43)
Withdrawals of Deposits from banks		136.13	150.62
Investments in Deposits with financial institutions		(976.79)	(144.44)
Withdrawals of Deposits from financial institutions		733.00	121.46
Investments in liquid mutual funds		(2,369.67)	(555.05)
Redemption of liquid mutual funds		2,014.32	571.26
Interest received		24.16	9.83
b) Net cash (used in) investing activities		**(827.75)**	**(167.26)**
Cash flows from financing activities			
Proceeds from exercise of restricted stock units/ESOPs		11.44	5.70
Proceeds from Issue of Fresh Equity shares through Private Placement (Net of Issue Expenses)		499.81	-
Proceeds from Issue of Share Warrants		337.50	-
Principal repayment on lease liabilities		(6.24)	(5.73)
Interest payment on lease liabilities		(2.10)	(2.29)
Finance costs paid		(0.98)	(1.12)
c) Net cash generated from/(used in) financing activities		**839.43**	**(3.44)**

Tejas Networks Limited

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

Consolidated Statement of Cash Flows	**Notes**	**Year Ended March 31, 2022**	**2021**
d) Net decrease in cash and cash equivalents		**(5.65)**	**(13.05)**
Cash and cash equivalents at the beginning of the year [Refer Note No. 7(i)]		53.43	66.48
Effects of exchange rate changes on the balance of cash held in foreign currencies*		(0.22)	0.00
Cash and cash equivalents at the end of the year [Refer Note No. 7(i)]		**47.56**	**53.43**

*[Refer Note No. 36]

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date.

for **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number (FRN 012754N/N500016)

Mohan Danivas S A
Partner
Membership no: 209136

Place : Bengaluru
Date : April 22, 2022

for **and on behalf of the Board of Directors of Tejas Networks Limited**

Balakrishnan V
Chairman and Director
(DIN:02825465)

Sanjay Nayak
CEO and Managing Director
(DIN:01049871)

Chandrashekar Bhaskar Bhave
Director
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COO and Whole Time Director
(DIN:03176672)

Venkatesh Gadiyar
Chief Financial Officer

N R Ravikrishnan
General Counsel, Chief Compliance Officer & Company Secretary

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, 2020*		**95.48**
Increase in equity share capital on account of exercise of ESOP and RSU	12	1.03
As at March 31, 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**

*** Includes forfeited shares of Rs. 3.27**

B. Other equity

Particulars	Note	Reserves and surplus: Securities premium	Reserves and surplus: Employee stock compensation outstanding account	Reserves and surplus: Retained earnings	Money received against share warrants	Exchange differences on translating the financial statements of a foreign operation	Total
Balance as at April 1, 2020		**937.80**	**33.92**	**12.53**	**-**	**1.21**	**985.46**
Profit for the year	13	-	-	37.54	-	-	37.54
Other comprehensive income/(loss) (Remeasurement of defined benefit obligation net of income tax)	13	-	-	2.21	-	-	2.21
Other comprehensive income /(loss) (Exchange differences on translation of foreign operations)	13	-	-	-	-	(0.19)	(0.19)
Total comprehensive income for the year		**-**	**-**	**39.75**		**(0.19)**	**39.56**
Transaction with owners in their capacity as owners:							
Premium received on exercise of ESOP	13	4.67	-	-	-	-	4.67
Employee share based payment expenses	22	-	8.00	-	-	-	8.00
Reclassification upon exercise of ESOP/RSU	13	8.80	(8.80)	-	-	-	-
Balance as at March 31, 2021		**951.27**	**33.12**	**52.28**	**-**	**1.02**	**1,037.69**
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 (loss)/income (Remeasurement of defined benefit obligation net of income tax)	13	-	-	(2.08)	-	-	(2.08)
Other comprehensive (loss)/income (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**

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date.

for **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number (FRN 012754N/N500016)

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Place : Bengaluru
Date : April 22, 2022

Venkatesh Gadiyar
Chief Financial Officer

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General Counsel, Chief Compliance Officer & Company Secretary

1 Corporate Information

Tejas Networks Limited ('Tejas' or 'the Company') is an optical and data networking products Group that designs, develops and manufactures high-performance and future-ready products for building high-speed communication networks that carry voice, data and video traffic from fixed line, mobile and broadband networks. Tejas products are differentiated by a programmable, software-defined hardware architecture that provides flexibility, multi-generation support and a seamless software-enabled network transformation to its customers. Tejas customers include telecommunications service providers, internet service providers, web-scale internet companies, utility companies, defense companies and government entities. The Group also exports its products to overseas territories.

Tejas is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. The shares of the Company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Group has branches in USA, Kenya, Mexico, UAE, Malaysia and South Africa and has a subsidiary and step down subsidiary in Singapore and Nigeria respectively. (Refer Note No. 29.8)

Tejas together with its subsidiaries/ step down subsidiary is hereinafter referred to as the "Group".

These consolidated financial statements have been approved by the Company's Board of Directors on April 22, 2022.

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Tejas Networks Limited and its subsidiaries/ step down subsidiary.

2.1 Basis of preparation

(i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] and other relevant provisions of the Act.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- defined benefit plans - plan assets measured at fair value; and
- share-based payments measured at fair value.

(iii) New and amended standards adopted

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2021:
- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) Standard issued but not yet effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(v) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 1, 2021.
Consequent to above, the Company has changed the classification/presentation of security deposits, in the current year.
Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in ‘other financial assets’ line item. Previously, these deposits were included in ‘loans’ line item.
The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance Sheet (extract)	March 31, 2021 (as previously reported)	Increase/Decrease	March 31, 2021 (restated)
Other Financial Assets (Non-current Assets)	1.54	5.33	6.87
Loans (Non-current Assets)	5.33	(5.33)	-
Other Financial Assets (Current Assets)	110.01	0.29	110.30
Other Current Assets (Current Assets)	53.46	0.17	53.63
Loans (Current Assets)	0.46	(0.46)	-

(vi) Operating cycle

Based on the nature of products/activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.2 Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Thev are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries/ step down subsidiary (Refer Note No. 29.8) line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Goodwill arising on consolidation is not amortized but is tested for impairment.

2.3 Revenue Recognition:

The Group is engaged in designing, developing and manufacturing products for building high-speed communication networks that carry voice, data and video traffic from fixed line, mobile and broadband networks.

2.3.1 Sale of manufactured goods and components

Revenue from sale of products is recognised when control over products is transferred in accordance with the contractual terms of sale and there are no unfulfilled performance obligations that could affect the customer's acceptance of the products.

Certain contracts with customers provide for variable consideration based on the due date for delivery. The Group estimates the amount of variable consideration by using either the expected value method or the most likely outcome method and the revenue recognised represents the amount of consideration to which the Group will be entitled in exchange for transferring the promised products or services to the customer.

Standard warranty is provided to customers upon sale of products and the same is accounted in accordance with Ind AS 37, *Provisions, Contingent Liabilities and Contingent Assets* (Refer Note No. 2.12)

2.3.2 Rendering of Service

Revenue from installation and commissioning services are recognised at a point in time when services are rendered. Revenue from annual maintenance contracts are recognized on an accrual basis pro-rata over the term of the contract. Revenue from other services such as repair and return, managed services, professional services and knowledge services are recognized as and when the services are rendered.

If the services rendered by the Company exceed the payments from customers, a contract asset is recognised. If the payments received exceed the services rendered, a contract liability is recognised (which we refer to as deferred revenue).

Deferred contract costs are incremental costs of obtaining a contract which are recognized as contract assets and amortized over the term of the contract. However, such incremental costs are recognised as expense if the amortisation period of the asset that the entity would have otherwise recognised is one year or less.

The Group presents revenue net of Goods and Services Tax (GST) in its Statement of Profit and loss.

2.4 Property, Plant and Equipment

2.4.1 Measurement

All items of property, plant and equipment are stated at historical cost less depreciation and accumulated impairment losses if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

2.4.2 Depreciation method, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

Asset	Useful Life
Laboratory equipment	5 years
Networking equipment	5 years
Electrical Installation	5 years
Furniture & fixtures	5 years
Office equipment	5 years
Computing equipment	3 years
Vehicles	5 years
Plant and Machinery - Cards/Prototypes and Others	4 years
Servers	5 years

Based on a technical evaluation, the management believes that the useful lives of the above assets best represent the period over which the management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Schedule II to the Companies Act, 2013.

On Transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. Net gains and losses are included in the statement of profit and loss within other income/ other expenses.

Individual assets costing less than Rs. 25,000/- are fully depreciated in the year of purchase.

2.5 Intangible Assets

2.5.1 Software

Software is carried at cost less accumulated amortization and impairment losses, if any. The cost of software comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxation authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on software after its purchase completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.5.2 Product development and intangible assets under development

Expenditure pertaining to research activities are charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless:
i) Product’s technical and marketing feasibility has been established;
ii) There is likelihood of the product delivering sufficient future economic benefit; and
iii) The availability of adequate technical, financial and other resources to complete and to use or sell the product,
in which case such expenditure is initially recorded as intangible assets under development and is subsequently capitalized when the asset is ready for its intended use. The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilized for research and development are capitalized and depreciated in accordance with the policy stated for property, plant and equipment (Refer Note No. 2.4.2).

Capitalized product development costs are recorded as intangible assets and amortised from the point at which the asset is ready for its intended use.

2.5.3 Amortization

The Group amortizes intangible assets with a finite useful life using the straight line method over the below periods:

Asset	Useful Life
Computer Software	Over the license period
Product development	24 months

2.5.4 On Transition to Ind AS, the group has elected to continue with the carrying value of all of its intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

2.6 Impairment of Non - financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets under development are tested for impairment on an annual basis. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that have suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.7 Financial instruments

Financial assets and financial liabilities are recognized when Group becomes party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

2.8 Investments and Other Financial assets

2.8.1 Classification

The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those measured at amortized cost.

The classification depends on entity's business model for managing the financial assets and the contractual terms of the cash flow.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.8.2 Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sale the financial asset.

2.8.3 Subsequent Measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in statement of profit and loss.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss and recognised under other income/ other expenses. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognized in profit or loss as other income when the Group's right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.8.4 Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable information including that which is forward-looking.

For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 “Financial Instruments”, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

The losses arising from impairment are recognized in the Statement of Profit and Loss.

2.8.5 Derecognition

A financial asset is derecognized only when

- the Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

2.8.6 Income recognition

Interest Income

Interest income from a financial asset at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using effective interest method and is recognised in statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial asset the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend income

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

2.9 Financial liabilities

2.9.1 Classification as debt or equity

Financial liability and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.9.2 Subsequent Measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method unless at initial recognition, they are classified as fair value through profit or loss.

2.9.3 Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

2.10 Trade Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are usually unsecured. Trade payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Derivatives

Derivatives are initially recognized at fair value on the date the derivative contracts is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

Derivative contracts to hedge risks which are not designated as hedges are accounted for at fair value through profit or loss and related fair value gain or loss are included in other income/expenses.

2.12 Provisions and Contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provision for warranty
The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto three years.

As per the terms of the contracts, the Group provides post sale support / warranty support to some of its customers. The Group accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

2.13 Foreign Currency Transactions

(i) Functional and presentation currency

Items included in the consolidated financials statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financials statements are presented in Indian rupee, which is the Group's functional and presentation currency.

The functional currency of Tejas (parent Company) is INR and for Tejas Communications Pte Limited, Singapore is USD. The functional currency for Tejas Communications (Nigeria) Limited is Naira.

(ii) Transactions and translations
Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Foreign exchange differences arising on translation of foreign currency borrowings are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expense.

Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the balance sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in foreign currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the statement of profit and loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

2.14 Earnings per equity share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

- potentially issuable equity shares, that could potentially dilute basic earnings per share, are not included in the calculation of diluted earnings per share when they are anti dilutive for the period presented.

2.15 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The Company measures its tax balances for uncertain tax positions either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax asset on Minimum Alternate Tax (MAT) credit is recognised only when it is probable that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the deferred tax asset relating to MAT credit is written down to the extent there is no longer a convincing evidence that the Company will pay normal income tax during the specified period. Similarly the deferred tax asset relating to MAT credit is adjusted upwards if the previously unrecognised MAT credit is considered recoverable due to higher anticipated future taxable profit.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financials statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and for unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously within the same jurisdiction.

Current and deferred tax is recognized in statement of profit and loss, except to the extent that it relates to item recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

2.16 Employee Benefits

(i) Short-term employee benefits

Liabilities for wages and salaries and performance incentives that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on Government bonds that at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligation for earned leave (despite not being expected to be settled wholly within 12 months) is presented as current liabilities in the balance sheet as the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Gratuity obligations (Defined Benefit Plan)

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have maturity terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than in rupees, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have maturity terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in Statement of profit and loss as past service cost.

(iv) Defined contribution plans

The Group pays defined contribution to publicly administered funds as per respective local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and are recognized as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent they reduce the amount of future contributions.

(v) Share-based payments

Share-based compensation benefits are provided to employees via Employee Stock Option Plans and Restricted Stock Units.

The Group has constituted the following plans - 'Tejas Employee Stock Option Plan 2014', 'Tejas Employee Stock Option Plan 2014 - A', 'Tejas Employees Stock Option Plan 2016' and 'Tejas Restricted Stock Unit Plan 2017' ("RSU – 2017") for the benefit of eligible employees.

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

a) including any market performance conditions
b) excluding the impact of any service and non-market performance vesting conditions
c) including the impact of any non-vesting conditions

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of ESOP/RSU that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in Statement of profit and loss, with a corresponding adjustment to equity.

2.17 Cash Flow Statement

Cash flows from operating activities are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.18 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). [Refer Note No. 29.3]

2.19 Leases

As a lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
a) fixed payments
b) amount expected to be payable by the group under residual value guarantees
c) the exercise price of a purchase option if it is reasonably certain that the Group will exercise that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally, the case for lessees in the group, the lessee's incremental borrowing rate used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:
a) where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
b) uses a build-up approach that starts with a risk free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
c) makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged in the Statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payment occurs.

Right of use assets are measured at cost comprising the following:
a) the amount of the initial measurement of lease liability
b) any lease payments made at or before the commencement date,
c) any initial direct costs, and
d) restoration cost

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short term leases and all leases of low value assets are recognised on a straight line basis as an expense in profit or loss. Short term leases are leases where the lease term is 12 months or less.

2.20 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income.

Grants related to assets are reduced from the carrying amount of the asset. Such grants are recognised in the Statement of profit and loss over the useful life of the related depreciable asset by way of reduced depreciation charge.

The export incentives from the Government are recognized at their fair value where there is a reasonable assurance that the incentive will be received and the Group will comply with all attached conditions.

2.21 Inventories

Inventories (raw material - components including assemblies and sub assemblies) are stated at the lower of cost and net realisable value. Cost of inventory includes cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.22 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing component, when they are recognised at fair value. The Group holds trade receivable with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is conditional only upon passage of time. Revenue in excess of billings is recorded as unbilled revenue and is classified as a financial asset as only the passage of time is required before the payment is due.

Invoicing in excess of earnings are classified as contract liabilities which is disclosed as deferred revenue.

Trade receivables and unbilled revenue are presented net of impairment in the Balance Sheet.

2.23 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.24 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss under other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for atleast 12 months after the reporting period. Where there is a breach of material provision of a long term loan arrangement on or before the date of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Group does not classify the liability as current, if the lender agreed, after the reporting period and before approval of the financial statements for issue, not to demand payment as a consequence of the breach.

2.25 Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

2.26 Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

2.27 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.28 Exceptional Items

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature or incidence that its disclosure is relevant to explain the performance of the Group for the year, the nature and amount of such items is disclosed as exceptional items.

2.29 Rounding of amounts

All amounts disclosed in the consolidated financials statements and notes have been rounded off to the nearest crore with two decimals as per the requirement of Schedule III, unless otherwise stated.

3 Critical estimates and judgments

The preparation of consolidated financials statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.
This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financials statements.

The areas involving critical estimates and judgments are:

(i) Product Development costs (capitalisation of product development cost including intangibles under development) and assessment of their carrying value - [Refer Note No. 2.4.2, Note No. 2.4.3 and Note No. 4(b)]
(ii) Defined benefit obligations - Refer Note No. 22
(iii) Impairment of trade receivables - Refer Note No. 27A
(iv) Recognition and recoverability of deferred tax assets on tax losses and MAT - Refer Note No. 9(b)
(v) Evaluation of tax litigation - Refer Note No. 29.1

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

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

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/Prototypesa nd Others	Servers	Total	Right-of-use asset*
Gross carrying value as of April 1, 2020	**22.83**	**0.87**	**7.31**	**9.52**	**1.72**	**7.24**	**0.14**	**28.03**	**3.69**	**81.35**	**26.52**
Additions	1.68	0.28	0.03	0.11	0.22	1.96	-	8.78	0.56	13.62	-
Deletions	-	-	-	-	0.06	0.02	-	-	-	0.08	-
Gross carrying value as of March 31, 2021	**24.51**	**1.15**	**7.34**	**9.63**	**1.88**	**9.18**	**0.14**	**36.81**	**4.25**	**94.89**	**26.52**
Accumulated depreciation as of April 1, 2020	**(13.31)**	**(0.60)**	**(5.51)**	**(5.99)**	**(0.84)**	**(5.32)**	**(0.05)**	**(17.81)**	**(1.37)**	**(50.80)**	**(5.23)**
Depreciation for the year	(3.93)	(0.12)	(0.69)	(0.98)	(0.35)	(1.56)	(0.04)	(6.28)	(0.74)	(14.69)	(5.19)
Accumulated depreciation on deletions	-	-	-	-	(0.06)	(0.02)	-	-	-	(0.08)	-
Accumulated depreciation as of March 31, 2021	**(17.24)**	**(0.72)**	**(6.20)**	**(6.97)**	**(1.13)**	**(6.86)**	**(0.09)**	**(24.09)**	**(2.11)**	**(65.41)**	**(10.42)**
Carrying value as of March 31, 2021	**7.27**	**0.43**	**1.14**	**2.66**	**0.75**	**2.32**	**0.05**	**12.72**	**2.14**	**29.48**	**16.10**
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**

* Right-of-use asset pertains to buildings. (Refer Note No. 29.5(i))

Note:

(i) 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 March 31, 2022, has submitted claims aggregating to Rs. 8.98 (March 31, 2021 - Rs. 8.98) which has not been adjusted to the cost of respective assets in the absence of reasonable assurance that the claim will be received.

(ii) Contractual Obligation : Refer Note No. 29.1(b) for contractual commitments for the acquisition of property, plant and equipment.

(iii) Refer Note No. 31 for information on property, plant and equipment pledged as security against fund and non-fund based facilities entered into by the Group.

(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 Assets under development[1]
Gross carrying value as of April 1, 2020	**19.22**	**244.13**	**263.35**	**64.09**
Additions	2.72	68.14	70.86	65.64
Transfers	-	-	-	68.14
Deletions	-	32.77	32.77	37.10
Gross carrying value as of March 31, 2021	**21.94**	**279.50**	**301.44**	**24.49**
Accumulated amortization as of April 1, 2020	**(17.94)**	**(218.60)**	**(236.54)**	**(37.10)**
Amortization expenses for the year	(3.02)	(29.22)	(32.24)	**-**
Deletions	-	32.77	32.77	**37.10**
Accumulated amortization and impairment as of March 31, 2021	**(20.96)**	**(215.05)**	**(236.01)**	-
Carrying value as of March 31, 2021	**0.98**	**64.45**	**65.43**	**24.49**
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 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**

Remaining useful life for product development ranges from 1 to 24 months (March 31, 2021: 3 to 24 months)

Notes:

1.Additions to Intangible Assets under development pertains to capitalization of employee benefit expense (Refer Note No. 22).

2.Management has carried out an impairment evaluation of its intangible assets under development as at March 31, 2022 and concluded that no impairment is considered necessary as the recoverable amounts of the individual cash generating units (CGUs) are higher than their respective carrying amounts. The recoverable amounts of the individual CGUs were determined using the value-in-use method. Key assumptions used in the value-in-use method include revenue growth projections and discount rate. A decrease in projected revenue across individual CGUs by 6% to 16% (March 31, 2021: by 8% to 14%) would result in the recoverable amount being equal to the carrying amount. No reasonable possible change in the discount rate is likely to result in the recoverable amount of the CGUs being equal to their carrying amount.

Sensitivity Analysis

As at March 31, 2022, the net carrying amount of product development is Rs. 79.50 (March 31, 2021 – Rs. 64.45). The Group estimates the useful life of product development to be 2 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 2 years, depending on technical innovations and competitor actions. If it were only 1 year, the carrying amount would be Rs. 48.17 as at March 31, 2022 (Rs. 46.33 as at March 31, 2021). If the useful life were estimated to be 3 years, the carrying amount would be Rs. 102.04 as at March 31, 2022 (Rs. 77.87 as at March 31, 2021).

(a) Intangible assets under development ageing schedule

As at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	33.28	6.32	0.01	-	39.61

As at March 31, 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	20.83	3.66	-	-	24.49

b) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan

As at March 31, 2022

Project Name	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Poject 4	4.69	-	-	-	**4.69**
Poject 10	4.72	-	-	-	**4.72**
Poject 11	2.41	-	-	-	**2.41**
Poject 12	1.75	-	-	-	**1.75**
Poject 13	0.77	-	-	-	**0.77**

As at March 31, 2021

Project Name	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Poject 1	7.74	-	-	-	**7.74**
Poject 2	2.79	-	-	-	**2.79**
Poject 3	2.28	-	-	-	**2.28**
Poject 4	-	2.11	-	-	**2.11**
Poject 5	0.87	-	-	-	**0.87**
Poject 6	0.69	-	-	-	**0.69**
Poject 7	0.58	-	-	-	**0.58**
Poject 8	0.54	-	-	-	**0.54**
Poject 9	0.38	-	-	-	**0.38**

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

Particulars	Year ended March 31,	
	2022	**2021**
Depreciation on property, plant and equipment [Refer Note No. 4(a)]	16.93	14.69
Depreciation on right of use assets [Refer Note No. 4(a)]	6.13	5.19
Amortization of intangible assets [Refer Note No. 4(b)]	53.72	32.24
Total depreciation and amortization expense	**76.78**	**52.12**

Tejas Networks Limited
Notes to the consolidated financial statements for the year ended March 31, 2022
(All amounts in Rupees Crore except for share data or as otherwise stated)

Note No. 5: Investments

Particulars	As at March 31, 2022		As at March 31, 2021	
5(a) Other Investments (Unquoted) {FVTPL}				
Equity instruments				
Investment in ELCIA ESDM Cluster (No. of shares 1100) (Refer Note No. 36)		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	80,801	2.68
Axis liquid fund - Direct Growth (CFDG)	53,448	12.64	23,841	5.45
DSP Liquidity Fund - Direct Plan - Growth	-	-	1,031	0.30
ICICI Prudential Liquid Fund - Direct Plan - Growth	3,44,166	10.85	85,949	2.62
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	24,774	12.47
Nippon India Interval Fund - Quarterly Plan - Series I - Direct Growth Plan Growth Option - DCAG	35,55,504	10.10	-	-
Tata Liquid Fund Direct Plan - Growth	10,35,206	347.88	42,672	13.85
Total current investments		**401.78**		**37.37**
Non Current Investments				
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		0.00		0.00
Aggregate amount of impairment in the value of investments		-		-
Current Investments				
Aggregate amount of quoted investments and market value thereof		401.78		37.37
Aggregate amount of unquoted investments		-		-
Aggregate amount of impairment in the value of investments		-		-

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

Note No. 6: Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	7.71	84.84
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: Allowance for expected credit loss (Refer Note No. 27A (i))	(0.64)	(11.87)
Total non current	**7.07**	**72.97**
Current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	402.59	379.22
Receivables from related parties considered good - unsecured (Refer Note No. 29.9(iii))	19.80	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: Allowance for expected credit loss(Refer Note no. 27A (i))	(137.30)	(38.19)
Total current	**285.09**	**341.03**

Tejas Networks Limited
Notes to the consolidated financial statements for the year ended March 31, 2022

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

Ageing as at March 31, 2022

Non-current

Particulars	Unbilled Receivable	Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	7.71	-	-	-	-	-	7.71
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
	-	**7.71**	**-**	**-**	**-**	**-**	**-**	**7.71**

Current

Particulars	Unbilled Receivable	Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	9.62	154.55	75.88	46.23	59.10	35.91	41.10	422.39
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
	9.62	**154.55**	**75.88**	**46.23**	**59.10**	**35.91**	**41.10**	**422.39**

Tejas Networks Limited
Notes to the consolidated financial statements for the year ended March 31, 2022

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

Ageing as at March 31, 2021
Non-current

Particulars	Unbilled Receivable	Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	84.84	-	-	-	-	-	84.84
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
	-	**84.84**	**-**	**-**	**-**	**-**	**-**	**84.84**

Current

Particulars	Unbilled Receivable	Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1.58	215.09	30.65	13.35	44.42	41.06	33.07	379.22
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
	1.58	**215.09**	**30.65**	**13.35**	**44.42**	**41.06**	**33.07**	**379.22**

Tejas Networks Limited
Notes to the consolidated financial statements for the year ended March 31, 2022

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

Note No. 7: Cash and Bank Balances

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
(i) Cash and Cash Equivalents		
(a) Balances with banks		
(i) In current accounts	32.26	33.59
(ii) In EEFC accounts	15.30	19.84
Total cash and cash equivalents	**47.56**	**53.43**
(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	296.77	148.23
Balances held as margin money or security against fund and non-fund based banking arrangements	2.88	15.83
Total other bank balances	**299.68**	**164.09**

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 March 31, 2022**	**As at March 31, 2021**
a) Current Accounts		
Axis Bank	0.79	0.01
Citibank	0.04	0.04
Citibank, Dubai	0.05	0.10
Citibank, Mexico	0.01	-
Citibank, USA	1.07	1.64
HDFC Bank	-	6.61
ICICI Bank	0.00	0.11
Kotak Mahindra Bank	13.78	3.40
Standard Chartered Bank	14.18	20.38
Standard Chartered Bank, Nairobi	0.27	0.08
Standard Chartered Bank, Singapore	1.88	0.66
Standard Chartered Bank, Kuala Lampur	0.11	0.10
Standard Chartered Bank, South Africa	0.07	0.24
State Bank of India	0.01	0.22
	32.26	**33.59**
b) EEFC Accounts		
Citibank	0.45	4.60
Standard Chartered Bank	14.85	15.24
	15.30	**19.84**
c) Balances with banks in unpaid dividend account		
Axis Bank	0.03	0.03
	0.03	**0.03**
d) Deposits with original maturity of more than three months but less than twelve months		
Axis Bank	153.76	41.49
Citibank	0.44	-
ICICI Bank	-	39.80
IndusInd Bank	47.76	45.00
Karnataka Bank	70.00	-
Kotak Mahindra Bank	12.17	7.96
Standard Chartered Bank	2.64	4.08
Yes Bank	10.00	9.90
	296.77	**148.23**

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

e) Balances held as margin money or security against fund and non-fund based banking arrangements for less than twelve months		
Axis Bank	0.45	3.37
Citibank	-	0.63
Kotak Mahindra Bank	1.78	8.94
State Bank of India	0.65	-
Standard Chartered Bank	-	2.89
	2.88	**15.83**
Total cash and cash equivalent (a+b)	**47.56**	**53.43**
Total other bank balances with maturity more than three months but less than twelve months (c+d+e)	**299.68**	**164.09**
f) Deposits with remaining maturity of more than twelve months (Refer Note 8)		
Axis Bank	-	0.19
Citibank	0.22	-
	0.22	**0.19**
g) Balances held as margin money or security against fund and non-fund based banking arrangements with original & remaining maturity of more than twelve months (Refer Note 8)		
Citibank	-	1.35
	-	**1.35**
h) Deposits with original maturity of more than twelve months but remaining maturity of less than twelve months (Refer Note 8)		
Citibank	1.15	-
	1.15	**-**
i) Deposits with financial institutions (Refer Note No. 8)		
Bajaj Finance Limited	306.00	60.00
HDFC Limited	25.00	48.00
Mahindra Finance	20.79	-
	351.79	**108.00**

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

Note No. 8: Other Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current financial assets		
Security deposits	5.58	5.46
Less: Provision	(0.09)	(0.09)
	5.49	5.37
Deposits with remaining maturity of more than twelve months		
(i) In deposit accounts	0.22	0.19
(ii) Balances held as margin money or security against fund and non-fund based banking arrangements	-	1.35
Total non-current financial assets	**5.71**	**6.91**
Current financial assets		
Security deposits	0.61	0.29
Deposits with financial institutions	351.79	108.00
Deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	1.15	-
Interest accrued but not due	0.96	1.01
Foreign exchange forward contracts	0.60	1.00
Other receivables	8.05	-
Total current financial assets	**363.16**	**110.30**

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

Note No. 9: Tax assets

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
9(a) Current Tax Asset (net)		
Advance Income Tax (net)	35.63	62.61
	35.63	**62.61**
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)	16.71	3.50
Lease liabilities	6.90	7.65
Unabsorbed depreciation	48.67	7.05
MAT credit	44.14	44.14
Total deferred tax assets	**116.42**	**62.34**
Right-of-use assets	5.09	5.62
Net deferred tax assets	**111.33**	**56.72**

Movements in deferred tax assets

Particulars	**Difference between tax base and carrying amounts of asset and liabilities (including expenses deductible upon payment)**	**Lease liabilities (net of right of use assets)**	**Unabsorbed depreciation and allowances under section 35(2AB)**	**MAT credit**	**Total**
As at April 01, 2020	21.98	2.30	17.42	-	41.70
(Charged)/Credited					
- to statement of profit and loss	(18.48)	(0.27)	(10.37)	44.14	15.02
As at March 31, 2021	**3.50**	**2.03**	**7.05**	**44.14**	**56.72**
(Charged)/Credited					
- to statement of profit and loss	13.21	(0.22)	41.62	-	54.61
As at March 31, 2022	**16.71**	**1.81**	**48.67**	**44.14**	**111.33**

Note:
During the year, the Company has recognised the deferred tax asset on MAT credit amounting to Rs NIL (March 31, 2021 : 44.14) based on Management's estimate of future taxable profits.

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

Note No. 10: Other assets

Particulars	As at	
	March 31, 2022	March 31, 2021
Other non-current assets		
Pre-paid gratuity contributions (asset) (Refer Note No - 22)	0.23	0.11
Prepaid expenses	0.43	0.20
Capital Advances	6.93	0.09
Balances with government authorities (other than income taxes)	15.60	6.58
Total other non-current assets	**23.19**	**6.98**
Other current assets		
Advances to suppliers	32.57	35.38
Advances others	0.03	0.02
Balances with government authorities (other than income taxes)	38.90	11.94
Prepaid expenses	2.82	2.26
Advances to employees	0.12	0.72
Total other current assets	**74.44**	**50.32**

Note No. 11: Inventories

Particulars	As at	
	March 31, 2022	March 31, 2021
Raw material - components including assemblies and sub-assemblies [including goods in transit Rs. 0.28 (March 31, 2021: Rs. 0.37)]	274.38	213.65
Traded Goods	3.64	-
Total Inventories	**278.02**	**213.65**

*Net of write down of inventories amounting to Rs. 7.68 (March 31, 2021 Rs. 10.44).

Tejas Networks Limited

Notes to the consolidated financial statements for the year ended March 31, 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, 2020	**17,64,52,000**	**176.45**
Changes in equity share capital during the year		
Increase during the year	-	-
As at March 31, 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**
b) Issued, Subscribed and Paid up Capital		
Equity Share Capital of Rs. 10/- each		
Fully paid shares		
As at April 01, 2020	**9,22,10,835**	**92.21**
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan and restricted stock unit plan (Refer Note No 30(v))	10,29,509	1.03
As at March 31, 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 (Refer Note No 30(v))	19,29,719	1.93
Issue of equity shares under Private Placement (Refer (b) below)	1,93,79,845	19.38
As at March 31, 2022	**11,45,49,908**	**114.55**
c) Forfeited shares (to the extent of amount paid up)*		
As at April 1, 2020	**3,27,27,930**	**3.27**
Transaction during the year	-	-
As at March 31, 2021	**3,27,27,930**	**3.27**
Transaction during the year	-	-
As at March 31, 2022	**3,27,27,930**	**3.27**

	As at	
	March 31, 2022	**March 31, 2021**
Total Equity Share Capital	**117.82**	**96.51**

* 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.

a) Terms and rights attached to equity shares

Equity shares have a par value of Rs. 10/-. They entitle the holder to participate in dividends declared if any, and to share in the proceeds upon winding up of the Company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

b) During the year ended March 31, 2022, the Company made preferential allotment, based on the approval of the Board of Directors, as follows:

• 1,93,79,845 equity shares, having face value of Rs. 10/- each, at a price of Rs. 258 per Equity Share, aggregating to Rs. 500 crore ("Subscription Shares");

• 3,68,21,706 warrants, each carrying a right to subscribe to 1 (one) equity share at an exercise price of Rs. 258 per equity share aggregating to Rs. 950 crore ("Series A Warrant Exercise Price"), which may be exercised in one or more tranches during the period commencing from the date of allotment of the warrants until expiry of 11 (eleven) months from the date of allotment of the warrants ("Series A Warrants"); and

• 1,55,03,876 warrants, each carrying a right to subscribe to 1 (one) equity share at an exercise price of Rs. 258 per equity share aggregating to Rs. 400 crore ("Series B Warrant Exercise Price"), which may be exercised in one or more tranches during the period commencing after the expiry of 12 (twelve) months from the date of allotment of the warrants until expiry of 18 (eighteen) months from the date of allotment of the warrants ("Series B Warrants");

on terms and conditions as determined by the Board in accordance with the SEBI (ICDR) Regulations and other applicable laws, and as set out in the share subscription agreement executed between the Company and Panatone Finvest Limited (a subsidiary of Tata Sons Private Limited).

The Company on September 7, 2021 received a total amount aggregating to Rs. 837.50 crore, which includes exercise price on subscription shares amounting to Rs. 500 crore and 25% of the Series A Warrants and Series B Warrants amounting to Rs. 237.50 crore and Rs. 100 crore respectively.

In view of substantial acquisition of securities, voting rights and control over the Company, Panatone Finvest Limited along with Akashastha Technologies Private Limited (a subsidiary of Panatone Finvest limited) and Tata Sons Private Limited made an Open Offer to acquire 4,02,55,631 fully paid-up equity shares at Rs. 258/- per equity share. The open offer tendering commenced on October 11, 2021 and ended on October 26, 2021. 2,592 equity shares were acquired through the open offer. Upon completion of the Open Offer, Panatone Finvest Limited is designated as promoter of the Company and Akashastha Technologies Limited and Tata Sons Private Limited as members of the Promoter Group of the Company.
Post the balance sheet date, on April 8, 2022, the balance 75% of the exercise price of Series A Warrants amounting to Rs. 712.50 crore was received against allotment of 3,68,21,706 number of equity shares. The balance 75% of Series B Warrants shall be payable at the time of allotment of equity shares pursuant to exercise of rights attached to Series B Warrants to subscribe to equity share. The amount paid against Series B Warrants shall be adjusted / set-off against the issue price for the resultant equity shares.

c) Details of shares held by promoters at the end of the year

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Panatone Finvest Private Limited		
Number of shares held	4,25,80,104	-
% holding in that class of shares	37.17%	-
% Change during the year (*)	0.01%	

*Shares were issued for the first time during the year, hence the percentage change computed with respect to the date of issue. Refer note 12(b) above.

d) Details of shares of the company held by holding/ultimate holding company

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Panatone Finvest Private Limited		
Number of shares held	4,25,80,104	-

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

e) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2022	As at March 31, 2021
Panatone Finvest Private Limited		
Number of shares held	4,25,80,104	-
% holding in that class of shares	37.17%	-
Nippon Life India Trustee Ltd.-A/C Nippon India Small Cap Fund		
Number of shares held	57,63,697	57,63,697
% holding in that class of shares	5.03%	6.18%
Cascade Capital Management, Mauritius		
Number of shares held	-	1,65,13,184
% holding in that class of shares	-	17.71%
Samena Spectrum Co.		
Number of shares held	-	94,41,649
% holding in that class of shares	-	10.13%
Consilium Extended Opportunities Fund L.P.		
Number of shares held	-	53,59,887
% holding in that class of shares	-	5.75%
East Bridge Capital Master Fund I Ltd		
Number of shares held	-	47,93,508
% holding in that class of shares	-	5.14%

f) There are no instances of:

i) shares allotted as fully paid up by way of bonus shares in the last five years.

ii) shares bought back during a period of five years immediately preceding the year end.

iii) shares allotted as fully paid up pursuant to contracts without payment being received in cash during a period of five years immediately preceding the year end.

g) Shares reserved for issuance towards outstanding employee stock options, RSU granted and available for grant (Refer Note 30):

Particulars	As at March 31, 2022	As at March 31, 2021
Equity shares of Rs. 10/- each		
ESOP Schemes	30,91,873	44,93,791
Outstanding at the end of the year	30,91,873	44,93,791
Options available for grant	-	-
RSU	20,77,034	22,41,651
Outstanding at the end of the year	17,34,245	12,13,491
Units available for grant	3,42,789	10,28,160

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

Note No. 13: Other Equity

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Securities premium	1,456.24	951.27
Retained earnings	(12.51)	52.28
Employee stock compensation outstanding account	29.29	33.12
Money received against share warrants	337.50	-
Foreign Currency Translation Reserve	1.91	1.02
Total Other Equity	**1,812.43**	**1,037.69**

(i) Securities premium

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Opening Balance	951.27	937.80
Premium received upon exercise of ESOP	9.51	4.67
Premium received on Issue of shares through Private placement	480.62	-
Private Placement Shares issue expense	(0.19)	-
Reclassification upon exercise of ESOP/RSU	15.03	8.80
Closing Balance	**1,456.24**	**951.27**

(ii) Retained earnings

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Opening Balance	52.28	12.53
(Loss)/Profit for the year	(62.71)	37.54
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of the post employment benefit obligation	(2.08)	2.21
Closing Balance	**(12.51)**	**52.28**

(iii) Employee stock compensation outstanding account

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Opening Balance	33.12	33.92
Share based payment expenses	11.20	8.00
Reclassification upon exercise of ESOP/RSU	(15.03)	(8.80)
Closing Balance	**29.29**	**33.12**

(iv) Foreign Currency Translation Reserve

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Opening Balance	1.02	1.21
Transaction during the year	0.89	(0.19)
Closing Balance	**1.91**	**1.02**

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

(v) Money received against share warrants

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Opening Balance	-	-
Transaction during the period	337.50	-
Closing Balance	**337.50**	**-**

Nature and purpose of other reserves

(a) Securities premium
Securities premium is used to record the premium on issue of shares. The premium can only be utilized in accordance with the provisions of the Act.

(b) Employee stock compensation outstanding account
The Employee stock compensation outstanding account is used to recognize the grant date fair value of options and RSUs issued to employees under the Group's share based payment schemes over the vesting period.

(c) Foreign Currency Translation Reserve
The foreign currency translation reserve comprises all foreign currency differences arising from the translation of financial statements of foreign operations.

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

Note No. 14: Lease Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Lease Liabilities	11.95	17.07
Total non-current	**11.95**	**17.07**
Current		
Lease Liabilities	7.81	4.83
Total current	**7.81**	**4.83**

Net Debt Reconciliation

Particulars	Lease Liabilities
Debt as on April 01, 2020	**27.88**
Interest expense	2.29
Repayment of interest and principal	(8.02)
Discount on leases	(0.25)
Debt as on March 31, 2021	**21.90**
Acquisitions - finance leases	4.59
Interest expense	2.10
Repayment of interest and principal	(8.34)
Discount on leases	(0.49)
Debt as on March 31, 2022	**19.76**

Note No. 15: Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current provisions		
Other provisions		
Warranty	0.49	0.69
Total non-current provisions	**0.49**	**0.69**
Current provisions		
Provision for employee benefits		
Compensated absences	5.47	4.70
Other provisions		
Warranty	1.45	0.52
Total current provisions	**6.92**	**5.22**

* The amount of provision of Rs. 5.47 (March 31, 2021 Rs. 4.70) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

Particulars	As at March 31, 2022	As at March 31, 2021
Leave obligation not expected to be settled within the next 12 months	4.07	3.90

Movement in Warranty

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

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	1.21	3.48
Unwinding of interest on provisions	0.11	0.29
Additions/(reversals)	3.76	(1.34)
Utilisation	(3.14)	(1.22)
Closing balance	**1.94**	**1.21**

Disclosed as:

Non-current	0.49	0.69
Current	1.45	0.52
	1.94	**1.21**

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

Note No. 16: Trade Payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro and small enterprises (Refer Note No. 29.2)	11.48	11.84
Total outstanding dues of creditors other than micro and small enterprises	100.09	80.38
Total trade payables	**111.57**	**92.22**

Notes:

Trade Payable includes the amounts due to related parties [Refer Note No. 29.9]	1.65	-

Ageing as of March 31, 2022

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	9.42	-	-	-	-	9.42
(ii) Others	19.44	60.92	8.08	2.24	0.12	9.29	100.09
(iii) Disputed dues – MSME	-	-	0.10	0.28	0.98	0.70	2.06
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Ageing as of March 31, 2021

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	11.84	-	-	-	-	11.84
(ii) Others	-	52.47	13.74	3.61	0.45	10.11	80.38
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Note No. 17: Other Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Due to employees	17.72	16.98
Capital Creditors	4.59	0.95
Accrual for expenses	-	29.15
Unpaid dividend	0.03	0.03
Other liabilities	0.14	0.15
Total other financial liabilities	**22.48**	**47.26**

Note No. 18: Other Current Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Advances received from customers	7.02	1.65
Deferred revenue	3.30	2.07
Statutory dues	8.33	6.67
Total other current liabilities	**18.65**	**10.39**

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

Note No. 19: Revenue from Operations

Particulars	**Year Ended March 31,**	
	2022	**2021**
Revenue from contract with customers		
Sale of goods		
Manufactured goods - Optical and Data Networking products including multiplexers	479.49	468.34
Component sales	-	11.78
	479.49	480.12
Rendering of services		
Installation and commissioning revenue	16.97	8.32
Annual maintenance revenue *	49.02	34.37
Other service revenue	5.11	3.79
	71.10	46.48
Total revenue from operations	**550.59**	**526.60**

* Recognised over period of time.

Note No. 20: Other Income

Particulars	**Year Ended March 31,**	
	2022	**2021**
Interest income from banks on deposits	24.11	10.16
(Loss)/Gain on current investment carried at fair value through statement of profit and loss	0.48	(0.18)
Gain on sale of current investment carried at fair value through statement of profit and loss	8.57	2.81
Unwinding of discount on fair valuation of financials assets	0.16	0.07
Net gain on foreign currency transactions and translation	3.13	-
Export Incentive	2.54	1.27
Other non-operating income		
Bad debts recovered	1.06	0.02
Profit on sale of property, plant and equipment	0.01	0.01
Interest on IT refunds	2.49	10.04
Miscellaneous income	0.75	0.65
Total other income	**43.30**	**24.85**

Note No. 21A: Cost of Materials Consumed

Particulars	**Year Ended March 31,**	
	2022	**2021**
Opening stock	213.65	251.99
Add: Purchases	355.11	230.40
	568.76	482.39
Less: Closing stock	278.02	213.65
Cost of materials consumed*	**290.74**	**268.74**

*including write down of inventories.

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

Particulars	**Year Ended March 31,**	
	2022	**2021**
Opening stock - stock in trade	-	-
Closing stock - stock in trade	3.65	-
Changes in inventories of stock in trade	**(3.65)**	**-**

Tejas Networks Limited
Notes to the consolidated financial statements for the year ended March 31, 2022

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

Note No. 22: Employee Benefit Expense

Particulars	**Year Ended March 31,**	
	2022	**2021**
Salaries and wages, including performance incentives	184.96	161.52
Contribution to provident and pension funds [Refer Note No. 22(i)]	8.39	6.83
Gratuity expenses	2.51	2.17
Employee share based payment expenses [Refer Note No. 30 (vii)]	11.20	8.00
Staff welfare expenses	7.00	3.45
	214.06	181.97
Less: Capitalized during the year [Refer Note No. 4(b) and Note No. 29.7(i)]	79.63	65.64
Total employee benefit expenses	**134.43**	**116.33**

Note No. 23A: Finance Cost

Particulars	**Year Ended March 31,**	
	2022	**2021**
Interest expense		
(i) Unwinding of discount on fair valuation of financial liabilities	2.21	2.57
Other finance cost	0.98	1.13
Total finance cost	**3.19**	**3.70**

Note No. 23B: Allowance for expected credit loss

Particulars	**Year Ended March 31,**	
	2022	**2021**
Allowance for expected credit loss	87.76	14.80
Total Allowance for expected credit loss	**87.76**	**14.80**

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

Note No. 24: Other Expenses

Particulars	**Year Ended March 31,**	
	2022	**2021**
Installation and commissioning expenses	12.63	5.11
Other processing charges	1.19	0.98
Power and fuel	5.09	4.56
Housekeeping and security	2.55	2.44
Lease rentals	1.80	1.95
Repairs and maintenance - machinery	0.43	0.33
Repairs and maintenance - others	2.73	1.70
Sub-contractor charges	10.19	9.46
Insurance	1.28	1.36
Rates and taxes	5.60	0.22
Communication	1.04	1.19
Royalty	0.16	0.11
Travelling and conveyance	4.00	2.00
Printing and stationery	0.19	0.15
Freight and forwarding	10.24	11.28
Sales expenses	0.02	0.11
Sales commission	7.23	11.93
Business promotion	1.01	0.41
Director sitting fees	0.30	0.13
Director commission	0.48	0.32
Legal and professional	20.70	12.04
Auditors remuneration and out-of-pocket expenses		
Audit Fee (including fees for limited reviews)	0.63	0.63
Tax Audit Fee	0.03	0.03
Certification matters	0.09	0.17
Auditors out-of-pocket expenses	0.01	0.03
Net loss on foreign currency transactions and translation	-	1.44
Provision for warranty	3.76	(1.34)
Expenditure on corporate social responsibility	0.46	0.98
Subscription and Membership	1.44	1.44
Miscellaneous expenses	2.80	2.08
Total other expenses	**98.08**	**73.24**

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

Tejas Networks Limited
Notes to the consolidated financial statements for the year ended March 31, 2022

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Note No. 25: Income Tax Expense

Particulars	**Year Ended March 31,**	
	2022	**2021**
a. Current tax		
Tax on profits for the year	-	-
Adjustments for tax of prior periods	0.19	-
Total current tax expense	0.19	-
b. Deferred tax		
Decrease/(increase) in deferred tax assets	(54.61)	(15.02)
Total deferred tax (benefit)/expense	(54.61)	(15.02)
Total Income tax (benefit)/expense	**(54.42)**	**(15.02)**

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	**Year Ended March 31,**	
	2022	**2021**
Profit/(Loss) before income tax expense	(117.13)	22.52
Tax expense /(credit) determined based on the statutory tax rate [i.e.34.944% (March 31, 2021: 34.944%)]	(40.93)	7.87
Reconciling items:		
Expenses disallowed for tax purposes	0.16	2.20
Mark-to-market loss/(gain) on mutual fund investments not considered for tax purposes	(0.13)	0.06
Tax impact on remeasurement gains and losses recognised in OCI	(0.72)	0.77
MAT credit recognised	-	(44.14)
Adjustments for tax of prior periods	0.19	-
Adjustment for deduction u/s 35 (2AB) and recognition of deferred tax on tax	(12.99)	18.22
Income Tax benefit	**(54.42)**	**(15.02)**

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

Note No. 22: Employee Benefit Expense (Contd)

Employee benefit plans

(i). Defined contribution plan

The Group makes contributions to Provident Fund and Employee's Pension Scheme, 1995. The contributions payable under this scheme by the Group are at rates specified in the rules of the scheme. The Group has no further obligation towards the scheme beyond the aforesaid contributions. The Group has recognised the following amounts in the Statement of Profit and Loss:

Particulars	**Year Ended March 31,**	
	2022	**2021**
Provident Fund Contributions	7.49	6.02
Employee Pension Scheme	0.90	0.81
Total	**8.39**	**6.83**

(ii). Compensated absence

The leave obligation covers the Group's liability for earned leave. This is an unfunded scheme.

The amount of the provision of Rs. 5.47 (March 31, 2021 – Rs. 4.70) is presented as current, since the Group does not have an unconditional right to defer settlement for a period beyond 12 months. However, based on past experience, the Group does not expect all the employees to avail leave accrued to their credit or require payment within the next 12 months.

Compensated absence expense recorded in Statement of Profit & Loss are as follows:

Particulars	**Year Ended March 31,**	
	2022	**2021**
Compensated absence expense/(gain) included in salaries and wages	1.40	0.46
Actuarial assumptions for long-term compensated absences		
Discount rate	7.49%	7.07%
Salary escalation	6.50%	6.50%
Attrition	7.00%	7.00%

(iii). Defined Benefit Plans

(a)Gratuity

The Group provides gratuity benefit to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to recognised insurer managed funds in India.

Particulars	**Year Ended March 31,**	
	2022	**2021**
Actuarial assumptions for defined benefit plan		
Discount rate	7.49%	7.07%
Salary escalation	6.50%	6.50%
Attrition rate	7.00%	7.00%

(i) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

(ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

a) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation (DBO) over the year are as follows:

Particulars	**Present value of obligation**	**Fair value of plan assets**	**Net amount**
As at April 1, 2020	**19.58**	**(19.58)**	**-**
Current service cost	2.17	-	2.17
Interest expense/(income)	1.34	(1.34)	-
Total amount recognised in profit or loss under employee benefit expenses	**3.51**	**(1.34)**	**2.17**
Remeasurements			
Actuarial (Gain) / Losses due to Demographic Assumption changes on DBO	-	-	-
Actuarial (Gain) / Losses due to Financial Assumption changes on DBO	(0.77)	-	(0.77)
Actuarial (Gain)/ Losses due to experience adjustments on DBO	(1.03)	-	(1.03)
Return on Plan Assets (Greater) / Lesser than Discount rate	-	(0.41)	(0.41)
Total amount recognised in other comprehensive income	**(1.80)**	**(0.41)**	**(2.21)**
Employer contributions/premiums paid	-	-	-
Benefit payments	(1.28)	1.21	(0.07)
As at March 31, 2021 (Refer Note No. 10)	**20.01**	**(20.12)**	**(0.11)**

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

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2021	**20.01**	**(20.12)**	**(0.11)**
Current service cost	2.48	-	2.48
Interest expense/(income)	1.44	(1.62)	(0.18)
Total amount recognised in profit or loss under employee benefit expenses	**3.92**	**(1.62)**	**2.30**
Remeasurements			
Actuarial (Gain) / Losses due to Demographic Assumption changes on DBO	-	-	-
Actuarial (Gain) / Losses due to Financial Assumption changes on DBO	(0.84)	-	(0.84)
Actuarial (Gain)/ Losses due to experience adjustments on DBO	2.04	-	2.04
Return on Plan Assets (Greater) / Lesser than Discount rate	-	0.88	0.88
Total amount recognised in other comprehensive income	**1.20**	**0.88**	**2.08**
Employer contributions/premiums paid	-	(4.50)	(4.50)
Benefit payments	(1.58)	1.58	-
As at March 31, 2022 (Refer Note No. 10)	**23.55**	**(23.78)**	**(0.23)**

b) Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Year Ended March 31,	
	2022	**2021**
Discount Rate		
Increase by 100 basis points (March 31, 2021 100 basis points)	-8.46%	-7.84%
Decrease by 100 basis points (March 31, 2021 100 basis points)	9.85%	9.06%
Salary Growth Rate		
Increase by 100 basis points (March 31, 2021 100 basis points)	9.74%	8.92%
Decrease by 100 basis points (March 31, 2021 100 basis points)	-8.50%	-7.85%
Attrition Rate		
Increase by 100 basis points (March 31, 2021 100 basis points)	0.02%	-0.28%
Decrease by 100 basis points (March 31, 2021 100 basis points)	-0.02%	0.31%
Mortality increase by 10% (March 31, 2021 10%)	0.00%	-0.01%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may not be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Composition of the plan assets is as follows:

Particulars	As at March 31,	
	2022	**2021**
Insurer managed funds	100%	100%

c) Risk Exposure

1. Interest rates risk : The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase although this will be partially offset by an increase in value of the plan assets.
2. Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.
3. Demographic risks: This is the risk of volatility in results due to unexpected nature of decrements that include mortality, attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination of salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short service employees will be less compared to long service employees.

4. Asset Liability Mismatch: This will come into play unless the funds are invested with the term of the assets replicating the term of the liability.

Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans (Gratuity) for the year ending March 31, 2023 are Rs. 2.98.

The weighted average duration of the defined benefit obligation is 12.24 years (March 31, 2021: 12.44 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31,	
	2022	**2021**
Year 1	1.39	1.58
Year 2	1.67	1.62
Year 3	1.99	2.02
Year 4	2.41	1.13
Year 5	1.00	1.53
Year 6-10	9.38	7.67
Year 10 and above	38.06	26.58

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

Note No. 26: Fair Value Measurement

(i) Financial instruments by category and fair value hierarchy

	Level	31 March 2022		31 March 2021	
		FVPL	Amortized cost	FVPL	Amortized cost
Financial assets					
Investments					
- Mutual Funds	1	401.78	-	37.37	-
- Others (Refer Note No. 36)	3	0.00	-	0.00	-
Trade receivables	3	-	292.16	-	414.00
Cash and cash equivalents		-	47.56	-	53.43
Bank balances other than cash and cash equivalents		-	299.68	-	164.09
Other financial assets					
- Deposits with original maturity of more than twelve months		-	1.37	-	1.54
- Security deposits	3	-	6.10	-	5.66
- Deposits with financial institutions		-	351.79	-	108.00
- Interest accrued but not due	3	-	0.96	-	1.01
- Foreign Exchange Forward Contracts	2	0.60	-	1.00	-
Total Financial Assets		**402.38**	**999.62**	**38.37**	**747.73**
Financial liabilities					
Borrowings		-	-	-	-
Trade payables	3	-	111.57	-	92.22
Other financial liabilities					
- Capital Creditors		-	4.59	-	0.95
- Due to employees		-	17.72	-	16.98
- Accrual for expenses		-	-	-	29.15
- Unpaid dividend		-	0.03	-	0.03
- Other liabilities		-	0.14	-	0.15
Total Financial liabilities		**-**	**134.05**	**-**	**139.48**

Level 1: Includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.
Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels during the year.

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation Technique

- The fair values of security deposits and non-current trade receivables were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- Investment in mutual funds are valued using closing NAV of the fund.
- Foreign currency forwards are valued based on the forward exchange rates provided by the bank as at the balance sheet date.

(iii) Valuation Process

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The significant level 3 inputs for determining the fair values of security deposits are discount rates using a risk free rate (pre-tax) that reflects the current market assessments of the time value of money and adjusted for counter-party risk and risks specific to the asset.

(iv) Fair value of financial assets and liabilities measured at amortized cost

- The fair values of security deposits and non-current trade receivables approximates their carrying amounts.

- The carrying amounts of trade receivables (current), trade payables, capital creditors, cash and cash equivalents and other financial assets are considered to be the same as their fair values, due to their short-term nature.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note No. 27: Financial risk management

The Group's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk and market risk. The Group's senior management has overall responsibility for the establishment and oversight of the Group's risk management framework.

A. Credit Risk
Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers located in various countries. Credit risk is managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

(i) ***Expected credit loss for trade receivables under simplified approach***

Loss allowance as on April 01, 2020	(35.30)
Changes in loss allowance	(14.76)
Loss allowance as on April 01, 2021	(50.06)
Changes in loss allowance	(87.88)
Loss allowance as on March 31, 2022 (Refer Note No. 6 & 23B)	(137.94)

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumption and selecting the inputs to the impairment calculations, based on the Group's past history and existing market conditions as well as forward- looking estimates at the end of each reporting period.

The Group is also exposed to credit risk in respect of cash and cash equivalents and deposits with banks and inter-corporate deposits placed with financial institutions. As a policy, the Group places its cash and cash equivalents and deposits with well established banks and financial institutions

Management has evaluated and determined expected credit loss for security deposits and other financial assets to be immaterial

During the quarter ended March 31, 2022, the Company has assessed the recoverability of overdue trade receivables from certain public sector customers and in view of delays in collections has made an additional provision of Rs. 67.19 crore towards all such receivables which were aged more than 3 years.

(ii) Sensitivity Analysis
The sensitivity of profit or loss to changes in the loss allowance

	Impact on profit/(loss) after tax	
	March 31, 2022	**March 31, 2021**
Increase in credit loss rate by 10%	(7.25)	(1.22)
Decrease in credit loss rate by 10%	7.25	1.22

B. Liquidity Risk
Liquidity risk is the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group's principal source of liquidity are cash and cash equivalents, cash flows that are generated from the operations and the undrawn borrowing facilities. A material and sustained shortfall in cash flows could undermine the Group's credit rating and impair investor confidence. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Liquid assets
The table below summarizes the Group's liquid assets at the end of the reporting period:

	As at	
	March 31, 2022	**March 31, 2021**
Cash and cash equivalents	47.56	53.43
Other bank balances - deposits with maturity more than 3 months but less than 12 months and margin money	299.68	164.09
Deposits with financial institutions	351.79	108.00
Deposits with maturity more than 12 months	1.37	1.54
Current investments - mutual funds	401.78	37.37
	1,102.18	364.43
Less: Balances held as margin money or security against fund and non-fund based banking arrangements	2.88	17.18
	1,099.30	**347.25**

(ii) Financing arrangements
The Group had access to the following undrawn facilities at the end of the reporting period:

	As at	
	March 31, 2022	**March 31, 2021**
Rupee		
Fund/ Non Fund based	109.73	165.14
USD (in rupee terms)		
Fund based	-	-

The above facilities are fungible between fund based and non-fund based.

(iii) Maturities of financial liabilities
The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equals their carrying balances(except for leases) as the impact of discounting is not significant.

Contractual maturities of financial liabilities - March 31, 2022	**Less than 6 months**	**6months to 1 year**	**Between 1 and 2 years**	**More than 2 years**	**Total**
Non-Derivatives					
Trade payables	111.57	-	-	-	111.57
Due to employees	17.72	-	-	-	17.72
Capital Creditors	4.59	-	-	-	4.59
Accrual for expenses	-	-	-	-	-
Lease Liabilities	4.57	4.69	4.36	10.31	23.93
Unpaid dividend	0.03	-	-	-	0.03
Other liabilities	0.14	-	-	-	0.14
	138.62	**4.69**	**4.36**	**10.31**	**157.98**

Contractual maturities of financial liabilities - March 31, 2021	**Less than 6 months**	**6 months to 1 year**	**Between 1 and 2 years**	**More than 2 years**	**Total**
Non-Derivatives					
Trade payables	92.22	-	-	-	92.22
Current maturities of long-term debt	-	-	-	-	-
Due to employees	16.98	-	-	-	16.98
Capital Creditors	0.95	-	-	-	0.95
Accrual for expenses	29.15	-	-	-	29.15
Lease Liabilities	3.25	3.39	7.07	14.05	27.76
Unpaid dividend	0.03	-	-	-	0.03
Other liabilities	0.15	-	-	-	0.15
	142.73	**3.39**	**7.07**	**14.05**	**167.24**

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

(iv) The Company has from time to time in the normal course of business entered into factoring agreements with bankers for some of the trade receivables on a non-recourse basis. As at March 31, 2022 the trade receivable does not include receivables amounting to Rs. 24.60 (March 31, 2021: Rs. Nil) which have been derecognised in accordance with Ind AS 109 - Financial Instruments, pursuant to such factoring agreements (Refer Note No. 6).

C. Market Risk

(a) Foreign currency risk exposure

The Group operates internationally and is exposed to foreign exchange risk through its sales and services in foreign countries, and purchases from overseas suppliers in foreign currencies. To mitigate the risk of changes in exchange rates on foreign currency exposures, the Group has a partial natural hedge between export receivables and import payables. Further, during the current year, the Group has entered into forward exchange contracts on export receivables to mitigate the risk of fluctuations in foreign currency rates.The results of the Group's operations are subject to the effects of changes in foreign exchange rates.

(i) The Group's exposure to foreign currency risk at the end of the reporting period expressed in Rupees crore, are as follows

	March 31, 2022		March 31, 2021	
	USD	**MYR***	**USD**	**MYR***
Assets				
Trade receivables	136.09	14.53	92.90	53.43
Balance in EEFC account	15.30	-	19.84	-
Balance with banks outside india	2.90	0.07	2.24	0.36
Net exposure to foreign currency risk (assets)	**154.29**	**14.60**	**114.98**	**53.79**
Liabilities				
Trade payables	54.84	0.10	24.95	0.15
Net exposure to foreign currency risk (liabilities)	**54.84**	**0.10**	**24.95**	**0.15**
Net exposure to foreign currency risk	**99.45**	**14.50**	**90.03**	**53.64**

* MYR stands for Malaysian Ringgit.

(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

	Impact on profit/(loss) after tax	
	March 31, 2022	**March 31, 2021**
USD Sensitivity		
INR/USD - Increase by 5% (March 31, 2021 5%)*	(4.10)	(3.71)
INR/USD - Decrease by 5% (March 31, 2021 5%)*	4.10	3.71
MYR Sensitivity		
INR/MYR - Increase by 5% (March 31, 2021 5%)*	(0.60)	(2.21)
INR/MYR - Decrease by 5% (March 31, 2021 5%)*	0.60	2.21

* Holding all other variables constant

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

Note No. 28: Capital Management

For the purpose of capital management, the Group considers the following components of its balance sheet as capital:

Issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Group.

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize the growth opportunities and return to the shareholders. The capital structure of the Group is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The group consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group foresees issue of fresh capital pursuant to exercise of vested employee stock options. Apart from the outstanding ESOPs, the Board of Directors have also approved certain Restricted Stock Units (RSUs), which may be converted into share capital in the future periods.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Debt equity ratio	**March 31, 2022**	**March 31, 2021**
Net Debt*	(1,082.42)	(342.53)
Equity	1,930.25	1,134.20
Net Debt to equity ratio	-	-

*Net Debt represents the balance of borrowing (including lease liabilities) reduced by cash and cash equivalent, other bank balances including deposits more than 12 months, deposits with financial institutions and investment in liquid mutual funds. The Group has no 'net debt' as at March 31, 2022.

Note No. 29: Additional Information to Financial Statements

Note	Particulars	As at March 31, 2022	As at March 31, 2021
29.1	**Contingent liabilities and commitments (to the extent not provided for)**		
a	Contingent liabilities - Claims against the Group not acknowledged as debts		
	Disputed Central Excise Demands * (Refer Note 1 below)	46.24	46.65
	Disputed Income Tax Demands * (Refer Note 2 and 3 below)	-	-
	Disputed CST and VAT Demand *	5.55	15.67
b	Commitments Estimated amount of contracts remaining to be executed on capital contract and not provided for net of advances and deposits		
	Property, plant and equipment	4.77	1.29

* These cases are pending at various forums with the respective authorities. Outflows if any, arising out of these claims would depend on the outcome of the decision of the appellate authority and the Company`s right for future appeals before judiciary. No reimbursements are expected.

Note 1: During FY 2018-19 and 2019-20, the Company received demand orders for Rs. 42.92 crore towards additional duty and penalty from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) on the applicability of excise duty on software used in the multiplexer products pertaining to FY 2002-03 to FY 2009-10. Further, an additional penalty on certain officers of the Company amounting to Rs. 0.90 crore was raised. The Company has filed a stay application before the Honourable Supreme Court and has also filed an appeal before CESTAT.
During the current year, the Company has received a demand order for Rs. 3.32 crores for FY 2010-11 to FY 2013-14 on similar matters. The Company is in the process of filing appeals with the concerned authorities.
Based on an assessment, supported by an external legal opinion, Management has concluded that the Company has a strong case to defend its position in the above matters and accordingly, no provision has been made in these financial statements.

Note 2: In July 2017, Income Tax Department initiated proceedings under section 132 of the Income Tax Act, 1961 for assessment years 2012-13 to 2018-19. During the year 2019-20 and 2020-21 certain other agencies sent notices as part of their preliminary inquiries, which were duly responded / attended by the Company and its officials. In FY 2019-20, the assessments for AY 2012-13 to 2018-19 were carried out and the Company received Income Tax demands for Rs. 25.62 crore (after adjusting carry forward losses of earlier years) and Rs. 0.48 crore for AY 2017-18 and AY 2018-19, respectively.
Pursuant to the Company’s application for rectification of certain errors in the aforesaid orders, during the quarter ended September 30, 2020, the Company received rectification orders for AY 2012-13 to AY 2018-19 under section 154 of the IT Act. Certain brought forward losses which were not considered in the earlier demand orders were allowed and other computation errors were corrected in the rectification orders resulting in a cumulative net refund position. The Company has also filed appeal against the orders for the aforementioned assessment years disputing certain disallowances. The Company is of the view that the outcome of these proceedings/ notices has no material adverse impact on the Company's financial statements.

Note 3: In July, 2017, the Income Tax Department (Department) initiated proceedings under Section 132 of the Income tax Act, 1961 (IT Act) and in March 2018, also sent a show cause notice to the company under Section 276(C) of the IT Act for AY 2012-13 to 2018-19. The Company and its officials fully co-operated with the Department. During FY 2018-19, the Company and certain officers of the Company had received Summons under various sections of the IT Act from the Special Court for Economic Offences, to which the Company has responded. Post the ongoing proceedings initiated by the Department, during FY 2019-20 and FY 2020-21, certain other agencies sent notices as part of their preliminary inquiries, which were duly responded by the Company and its officials. The Company is of the view that the outcome of these summons/notices will not have any material impact on the Company's financial statements.

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

29.2 Dues to Micro Small and Medium Enterprises (MSMEs)

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at	
	March 31, 2022	March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end[1]	11.48	11.84
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year		
Interest paid, other than under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

[1]Based on periodic circularisations by the Company and responses received from the suppliers, the Company identifies Micro and Small parties registered under the MSMED Act. The information above has been compiled by the management basis such identification. No delays in payments beyond the stipulated date prescribed under the MSMED Act have been identified for such vendors based on the acceptance dates for such goods/services as agreed by the concerned vendors.

29.3 Segment Information

(i) The Group's business activity primarily falls within a single business segment based on the nature of activity involved and business risks having regard to the internal organisation and management structure. The Chief Operating Decision Maker (CODM) reviews the Group's performance as a single business segment and not at any other disaggregated level.

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

(ii) Geographical information

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
I. Revenues*		
India	350.84	321.64
International#	199.75	204.96
	550.59	**526.60**

* Determined based on location of customers
# International includes Africa (March 31, 2021: Africa and South East Asia regions) which individually contribute to more than 10% of the total revenues.

Revenues of approximately Rs. 181.47 are derived from two external customers (March 31, 2021: Rs. 193.86 from three external customer) each exceeding 10% of the total revenue.

	As at March 31, 2022	As at March 31, 2021
II Total Carrying amount of non current assets, by geographical location		
India*	177.46	135.50
International	-	-

* Includes an amount of Rs. 14.56 (March 31, 2021: 16.10) being Right of use assets pursuant to adoption of Ind AS 116.

29.4 Revenue from contract with customers

(i) Disaggregation of revenue from contracts with customers

The table below presents disaggregated revenue from contracts with customers. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors (Refer Note No. 19)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
India-PSU	92.52	85.85
India-Private	258.32	235.79
International	199.75	204.96
	550.59	**526.60**

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

(ii) The movement in contract liability (deferred revenue and Advances received from customers) is as follows:

	Deferred Revenue	Advances received from customers
Balance as on April 1, 2020	**2.60**	**0.38**
Less: Revenue accrued during the year	10.35	0.14
Add: Invoicing in excess of earned revenue during the year	9.82	1.41
Balance as on March 31, 2021	**2.07**	**1.65**
Less: Revenue accrued during the year	5.66	1.84
Add: Invoicing in excess of earned revenue during the year	6.89	7.21
Balance as on March 31, 2022	**3.30**	**7.02**

(iii) Performance obligations and remaining performance obligations

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2022, is approximately Rs. 1175. Out of this, the Company expects to recognize revenue of around 68% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty. Based on current assessment, the occurrence of the same is expected to be remote.

(iv) Reconciliation of revenue recognised with Contract price

	Year Ended March 31,	
	2022	**2021**
Contract Price	550.59	526.60
Less adjustments for:		
Variable consideration	-	-
Revenue from operations	**550.59**	**526.60**

29.5 Details of leasing arrangements

Right-of-use assets

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Right of use Assets		
Buildings	14.56	16.10
Total	**14.56**	**16.10**

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Lease Liabilities		
Current	7.81	4.83
Non-Current	11.95	17.07
Total	**19.76**	**21.90**

Additions to right-of-use assets during the current financial year is Rs. 4.59 (March 31, 2021: NIL).

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

(ii) Amounts recognised in the statement of profit or loss:

The statement of profit or loss shows the following amount related to leases:

Particulars	Note	Year ended March 31,	
		2022	2021
Depreciation charge of Right of use Assets			
Buildings	4(c)	6.13	5.19
Total		**6.13**	**5.19**
Other costs			
Interest expense (included in finance costs)	24A	2.10	2.29
Expenses relating to short term leases (included in other expenses)*	25	1.80	1.95
Expenses relating to variable lease payments		-	-
Total		**3.90**	**4.24**

*includes maintenance expenses

The total cash outflow for leases for the year ended March 31, 2022 is 9.96 (March 31, 2021: Rs 9.97).

Extension and termination options

Extension and termination options are included in various leasing arrangements for buildings. These are used to maximise operational flexibility in terms of managing assets used in the operations. All the Extension and termination options are exercisable only by the Group.

The Group has not provided any residual value guarantees in any of the leasing arrangements.

29.6 Earnings/(Loss) per Share

Particulars	Year ended March 31,	
	2022	2021
<u>Basic</u>		
Net profit/(loss) for the year attributable to the equity shareholders	(62.71)	37.54
Weighted average number of equity shares	10,50,19,617	9,25,53,796
Par value per share (Rs.)	10.00	10.00
Earnings/(loss) per equity share - Basic (Rs.)	**(5.97)**	**4.06**
<u>Diluted</u>		
Net profit/(loss) for the year attributable to the equity shareholders	(62.71)	37.54
Weighted average number of equity shares for Basic EPS	10,50,19,617	9,25,53,796
Add: Bonus element on Share Options/RSUs issued to employees and share warrants*	-	15,74,477
Weighted average number of equity shares - for diluted EPS	10,50,19,617	9,41,28,273
Par value per share (Rs.)	10.00	10.00
Earnings/(loss) per equity share - diluted (Rs.)	**(5.97)**	**3.99**

* Potentially issuable equity shares, on account of Share Options/RSUs issued to employees and share warrants, that could potentially dilute basic earnings per share, are not included in the calculation of diluted earnings per share when they are anti-dilutive for the period presented.

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

29.7 Product Development Cost

(i) Product development costs capitalized during the year with regard to the development of various modules of products are being amortised in accordance with the Group's policy.

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Amount transferred to Product Development	64.51	68.14
Additions to Intangible assets under development	79.63	65.64

(ii) Details of eligible Capital and Revenue expenditure incurred towards Research and Development as claimable under section 35 of Income Tax Act of 1961.

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Eligible capital expenditure	84.41	77.87
Eligible revenue expenditure	3.21	32.71
TOTAL	**87.62**	**110.58**

Eligible capital expenditure includes R&D manpower salaries/ wages towards product development amounting to Rs.79.63 (March 31, 2021: 65.64).

29.8 Interest in subsidiaries

Name of the Company	Place of Business	% of Holding and voting power either directly or indirectly through subsidiary as at 2022	2021
Tejas Communications Pte Limited (wholly owned subsidiary since incorporation on June 14. 2001)	Singapore	100%	100%
Tejas Communications (Nigeria) Limited (wholly owned subsidiary of Tejas Communications Pte Limited, since incorporation on September 07, 2015)	Nigeria	100%	100%

29.9 Related party transactions

(i) Details of related parties:

Description of relationship	
Ultimate Holding Company	Tata Sons Private Limited (w.e.f from October 29, 2021)
Holding Company/ Controlling Entity	Panatone Finvest Limited (w.e.f from October 29, 2021)
Subsidiaries of Ultimate Holding Company	Tata Communications Limited
	Tata Consultancy Services Limited
	Tata Teleservices (Maharashtra) Limited
	Tata Teleservices Limited
	Tata Advanced Systems Limited
	Tata Communications (America) Inc.
	Nova Integrated Systems Limited
	Tata Communications Lanka Limited
	Tata Play Broadband Private Limited (formerly Tata Sky Broadband Private Limited)
Entity where a Director is interested	Clonect Solutions Private Limited
	Darwinbox Digital Solutions Private Limited
	Cloudsek Information Security Private Limited
	Deshpande Foundation
	Akshaya Patra Foundation
	ICT Academy
Post-employment benefit plan for the benefit of employees	Tejas Networks Limited Employees Group Gratuity Fund Trust
Key Management Personnel	
Executive Directors	Sanjay Nayak, CEO and Managing Director
	Arnob Roy, Chief Operating Officer and Whole Time Director
Independent Directors	Balakrishnan V
	Leela K Ponappa
	Chandrashekar Bhaskar Bhave
Non - Executive Directors & Non - Independent Director	Gururaj Deshpande
	N. Ganapathy Subramaniam (w.e.f January 19, 2022)
	Amur Swaminathan Lakshminarayanan (w.e.f January 19, 2022)

(ii) Transaction with related parties during the year

	Year Ended March 31, 2022			
Particulars	**Holding Company/ Controlling Entity**	**Subsidiaries of Ultimate Holding Company**	**Other Related Parties**	**Total**
Revenue from operations	-	41.46	-	**41.46**
Communication	-	0.04	-	**0.04**
Subscription Charges	-	-	0.06	**0.06**
Professional Charges	-	-	0.19	**0.19**
Contribution to post employment benefit plans			4.50	**4.50**
Proceeds from Issue of Fresh Equity shares through Private Placement	500.00	-	-	**500.00**
Proceeds from Issue of Share Warrants	337.50	-	-	**337.50**

Particulars	Year Ended March 31, 2021 Holding Company/ Controlling Entity	Subsidiaries of Ultimate Holding Company	Other Related Parties	Total
Revenue from operations	-	-	-	-
Reimbursement of expenses	-	-	-	-
Subscription Charges	-	-	0.05	**0.05**
Professional Charges	-	-	0.19	**0.19**
Expenditure on Corporate Social Responsibility			0.40	**0.40**

Transactions with Key Management Personnel is as follows:

	Year Ended March 31, 2022	2021
Short-term employee benefits	2.66	2.88
Post-employment benefits	0.05	0.05
Employee share-based payment	2.00	0.77
Director Sitting fees	0.28	0.12
Director Commission	0.49	0.32

(iii) Balances receivable from related parties are as follows:

Particulars	As at March 31, 2022 Holding Company/ Controlling Entity	Subsidiaries of Ultimate Holding Company	Other Related Parties	Total
Trade receivables, unbilled receivables and contract assets	-	19.80	-	**19.80**
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	-	1.65	-	**1.65**
Short-term employee benefits	-	-	0.07	**0.07**
Director Commission	-	-	0.49	**0.49**
Commitments	-	35.69	-	**35.69**

Particulars	As at March 31, 2021 Holding Company/ Controlling Entity	Subsidiaries of Ultimate Holding Company	Other Related Parties	Total
Short-term employee benefits	-	-	0.63	**0.63**
Director Commission	-	-	0.32	**0.32**

Tejas Networks Limited
Notes to the consolidated financial statements for the year ended March 31, 2022
29.10 Ratios

Sl. No.	Particulars	Numerator Includes	Note No.	Denominator Includes	Note No.	Ratio FY 22	Ratio FY 21	% Variance	Reasons for variance
1	Current Ratio	Inventories Investments Trade receivables Cash and cash equivalents Bank balances other than above Other financial assets Other current assets	11 5(b) 6 7(i) 7(ii) 8 10	Lease Liabilities Trade payables (a) Total outstanding dues of micro enterprises and small enterprises (b) Total outstanding dues of creditors other than micro enterprises and small enterprises Other financial liabilities Provisions Other current liabilities	14 16 17 15 18	**10.45**	**6.07**	**72%**	**Increase on account of cash inflow on account of investment by Panatone Finvest Limited**
2	Debt-equity ratio	Lease liabilities	14	Total equity		**0.01**	**0.02**	**-68%**	**Increase in equity on account of of investment by Panatone Finvest Limited thereby reduction in debt equity ratio**
3	Debt service coverage ratio	Profit/(Loss) after tax (V - VI) Depreciation and amortization expense Finance costs	 4(c) 23A	Debt servicable in subsequent year	27	**1.86**	**14.06**	**-87%**	**There is a reduction on account of loss in the current year**
4	Return on Equity Ratio	Profit/(Loss) after tax (V - VI)		Average equity		**-0.04**	**0.03**	**-221%**	**There is a reduction on account of loss in the current year**
5	Inventory turnover ratio	Revenue from operations	19	Inventories	5(b)	**2.24**	**2.26**	**-1%**	**NA**
6	Trade Receivables turnover ratio	Revenue from operations	19	Trade receivables	6	**1.56**	**1.23**	**27%**	**Increased on account of increased sales and reduced receivables**
7	Trade payables turnover ratio	Purchases (others) Purchases of stock in trade	21A	Trade payables	16	**3.72**	**2.71**	**37%**	**Increased on account of increased purchases and payables**
8	Net capital turnover ratio	Revenue from operations	19	Current Assets Current Liabilities		**0.35**	**0.65**	**-46%**	**Reduction on account of increase in current assets**
9	Net profit ratio	Profit/(Loss) after tax (V - VI)		Revenue from operations	19	**-0.11**	**0.07**	**-260%**	**Reduction on account of loss during the current year**
10	Return on Capital employed	Revenue from operations Cost of materials consumed Employee benefit expense Allowance for expected credit loss Other expenses	19 22 23B 24	Total equity		**-0.04**	**0.05**	**-188%**	**Reduction on account of loss during the current year**
11	Return on Investment	Revenue from operations Cost of materials consumed Employee benefit expense Allowance for expected credit loss Other expenses Depreciation and amortization expense	19 21A & 21B 22 23B 24 4(c)	Average Total Assets		**-0.00**	**0.10**	**-103%**	**Reduction on account of loss during the current year**

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

Note No. 30: Employee Stock Option Plan (ESOP) and Restricted Stock Units (RSU)

(i) Employees Stock Option Plan – 2014 ("ESOP Plan 2014") The Group pursuant to resolutions passed by the Board and the Shareholders, dated May 29, 2014 and September 24, 2014, respectively, has adopted ESOP Plan 2014. ESOP Plan 2014 was subsequently modified pursuant to the Shareholders' resolutions dated March 28, 2016 and November 19, 2016. Pursuant to ESOP Plan 2014, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP Plan 2014). The aggregate number of Equity Shares, which may be issued under ESOP Plan 2014, shall not exceed 71,01,767 Equity Shares.

The options granted under the plan have a graded vesting over a period of four years, which are exercisable within fifteen years from the date of vesting. All the options granted under the plan are equity settled.

(ii) Employees Stock Option Plan – 2014-A ("ESOP Plan 2014-A") The Group pursuant to resolutions passed by the Board and the Shareholders, dated June 27, 2016 and July 25, 2016, respectively has adopted ESOP Plan 2014-A. ESOP Plan 2014-A was subsequently modified pursuant to the Shareholders resolution dated November 19, 2016. Further modified by resolution passed by board dated October 21, 2020. Pursuant to ESOP Plan 2014-A, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP Plan 2014-A). The aggregate number of Equity Shares, which may be issued under ESOP Plan 2014-A, shall not exceed 20,00,000 Equity Shares.

The options granted under the plan have a graded vesting over a period of four years, which are exercisable within eight years from the date of vesting. All the options granted under the plan are equity settled. (Refer Note v(d) below)

(iii) Employees Stock Option Plan – 2016 (" ESOP Plan 2016") The Group pursuant to resolutions passed by the Board and the Shareholders, dated August 02, 2016 and August 29, 2016, respectively has adopted ESOP Plan 2016. ESOP Plan 2016 was subsequently amended pursuant to the Shareholders resolution dated November 19, 2016. Further modified by resolution passed by board dated October 21, 2020. Pursuant to ESOP Plan 2016, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP Plan 2016). The aggregate number of Equity Shares, which may be issued under ESOP Plan 2016, shall not exceed 50,00,000 Equity Shares.

The options granted under the plan have a graded vesting over a period of four years, which are exercisable within eight years from the date of vesting. All the options granted under the plan are equity settled. (Refer Note v(d) below)

(iv) Restricted Stock Unit Plan 2017 ("RSU Plan 2017") The Group pursuant to resolutions passed by the Board and the Shareholders, dated August 26, 2017 and September 27, 2017, respectively, has adopted RSU Plan 2017. Pursuant to RSU Plan 2017, restricted stock units ("RSUs") may be granted to eligible employees (as defined in RSU Plan 2017). The aggregate number of Equity Shares, which may be issued under RSU Plan 2017, shall not exceed 30,00,000 Equity Shares.

The RSUs granted under the plan have a graded vesting over a period of four years, which are exercisable within four years from the date of vesting. The RSUs granted under the plan are equity settled.

As the Group has implemented RSU plan during the financial year 2017-18, the Group does not plan to grant any new options from the pool available from the current ESOP Schemes. Consequently, the options available for grant were considered as "NIL" for the current ESOP schemes. Hence, other information is not applicable for the year ended March 31, 2021 and 2022.

(v) Summary of options under various plans:

		March 31, 2022		March 31, 2021	
		Weighted average exercise price (INR)	**Number of options**	**Weighted average exercise price (INR)**	**Number of options**
(a)	**ESOP Plan 2014**				
	Outstanding at the beginning of the year	65	16,29,950	65	21,24,436
	Granted during the year	-	-	-	-
	Exercised during the year*	65	5,68,444	65	4,82,609
	Forfeited during the year	65	-	65	11,877
	Outstanding at the end of the year	65	10,61,506	65	16,29,950
	Exercisable at the end of the year	65	10,61,506	65	16,29,950
	Options available for grant	-	-	-	-
	Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)		10.22 years		10.96 years

* The weighted average share price during the year ended March 31, 2022 was Rs. 356.62 (March 31, 2021 Rs. 110.42)

		March 31, 2022		March 31, 2021	
(b)	**ESOP Plan 2014-A**				
	Outstanding at the beginning of the year	85	12,70,132	85	13,79,749
	Granted during the year	-	-	-	-
	Exercised during the year*	85	3,24,404	85	94,872
	Forfeited during the year	85	-	85	14,745
	Outstanding at the end of the year	85	9,45,728	85	12,70,132
	Exercisable at the end of the year	85	9,45,728	85	12,70,132
	Options available for grant	-	-	-	-
	Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)		4.43 years		5.52 years

* The weighted average share price during the year ended March 31, 2022 was Rs. 356.62 (March 31, 2021 Rs. 110.42)

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

		March 31, 2022		March 31, 2021	
		Weighted average exercise price (INR)	**Number of options**	**Weighted average exercise price (INR)**	**Number of options**
(c)	**ESOP Plan 2016**				
	Outstanding at the beginning of the year	85 -110	15,93,709	85 -110	18,73,683
	Granted during the year	-	-	-	-
	Exercised during the year*	85 -110	5,06,870	85 -110	1,69,856
	Forfeited during the year	85 -110	2,200	85 -110	1,10,118
	Outstanding at the end of the year#	85 -110	10,84,639	85 -110	15,93,709
	Exercisable at the end of the year	85 -110	10,84,639	85 -110	15,86,355
	Options available for grant	-	-	-	-
	Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)		4.84 years		5.93 years

* The weighted average share price during the year ended March 31, 2022 was Rs. 356.62 (March 31, 2021 Rs. 110.42)

(d) (i) During FY 2020-21, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors approved extension of exercise period of the Employee Stock Option Plan 2014-A and Employee Stock Option Plan 2016 in respect of employees who have not exercised the Stock Options that had vested as per the plan in vogue by another 4 years.

(ii) The incremental fair value of the options which were modified amounted to Rs.2.21 crore, which has been recognized in the Statement of Profit and Loss in FY 2020-21.

(iii)The fair value has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	**ESOP Plan 2014-A**	**ESOP Plan 2016**
Weighted Average share price on the date of Modification	84.65	84.65
Exercise price	85.00	85 & 100
Risk Free Interest Rate	5.91%	5.91%
Expected Life	5-12Years	5-12Years
Exercise period from the date of vesting	8 years	8 years
Expected Annual Volatility of Shares	60.9%	60.9%
Expected Dividend Yield	1.18%	1.18%

		Weighted average exercise price (INR)	**Number of stock units**	**Weighted average exercise price (INR)**	**Number of stock units**
(e)	**RSU Plan 2017**				
	Outstanding at the beginning of the year	10	12,13,491	10	16,84,501
	Granted during the year	10	10,84,290	10	20,500
	Exercised during the year*	10	5,30,002	10	2,82,172
	Forfeited during the year	10	33,534	10	2,09,338
	Outstanding at the end of the year	10	17,34,245	10	12,13,491
	Exercisable at the end of the year	10	3,77,533	10	4,68,258
	RSU available for grant	10	3,42,789	10	10,28,160
	Weighted average remaining contractual life for RSU outstanding (comprising the vesting period and the exercise period)		4.50 years		4.01 years

* The weighted average share price during the year ended March 31, 2022 was Rs. 356.62 (March 31, 2021 Rs. 110.42)

(vi) Fair value of RSUs

For RSUs granted during the period, the fair value has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	**March 31, 2022**	**March 31, 2021**
RSU Plan 2017		
Weighted Average share price on the date of grant	289.06	94.55
Exercise price	10.00	10.00
Risk Free Interest Rate	6.07% to 6.60%	5.86% to 5.96%
Expected Life	5-7 Years	5-8 Years
Exercise period from the date of vesting	4 years	4 years
Expected Annual Volatility of Shares	50% to 60%	60% to 61%
Expected Dividend Yield	0.21% to 0.57%	0.70% to 1.79%

(vii) Effect of share based payment transactions on the Statement of Profit and Loss:

	March 31, 2022	**March 31, 2021**
Equity-settled share-based payments (Refer Note No. 22)	11.20	8.00

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

Note No. 31: Assets pledged as security against fund and non-fund based banking arrangements

Particulars	Note	As at	
		March 31, 2022	**March 31, 2021**
(i) Financial Assets			
Trade Receivables	6	275.51	330.88
Other financial assets	9	0.22	1.54
Other financial assets excluding deposits with financial institutions	9	10.76	2.01
Total financial assets		**286.49**	**334.43**
(ii) Non- Financial Assets			
Other current assets	11	74.38	53.63
Inventories	12	278.02	213.65
Total non- financial assets		**352.40**	**267.28**
(iii) Total current assets pledged as security		**638.89**	**601.71**
(iv) Non-current assets			
Property, plant and equipment	4(a)	40.09	29.48
Trade Receivables	6	7.07	72.97
Total Non-current assets pledged as security		**47.16**	**102.45**
(v) Total assets pledged as security		**686.05**	**704.16**

The Group has multiple banking arrangements with banks who have extended fund based and non- fund based facilities and have placed uniform covenants for collateral purposes. The banks have a pari passu claim on current assets, movable property, plant and equipment provided as a collateral, with respect to such fund and non-fund based facilities. At any given point of time, availment out of fund and non-fund based facilities will be within the limits sanctioned. The pari passu charge implies that the banks have a proportionate claim on the collaterals, limited to actual utilisation of fund and non-fund based facilities. The aggregate of fund and non-fund based facilities availed as at March 31, 2022 aggregates to Rs.103.27 (March 31, 2021: Rs. 103.35).

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

Note No. 32: Statement of Function wise Profits and Losses (for additional information only)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue		
Product sales	479.49	468.34
Component sales	-	11.78
Services	71.10	46.48
Net Revenue (A)	**550.59**	**526.60**
Cost of materials consumed (Refer Note i below)	312.13	269.83
Manufacturing Expenses	17.54	14.07
Service Expenses	46.92	30.57
Total Cost of Goods Sold (B)	**376.59**	**314.47**
Gross Profit (C) = (A) - (B)	**174.00**	**212.13**
Operating Expenses:		
Research & Development (Gross)	131.23	106.05
Less: R&D Capitalized	(79.63)	(65.64)
Research & Development (Net)	**51.60**	**40.41**
Selling, Distribution & Marketing	168.96	93.96
General & Administrative	33.44	22.83
Operating Expenses (Net) (D)	**254.00**	**157.20**
Profit/(loss) from operations (EBITDA) (E) = (C) - (D)	**(80.00)**	**54.93**
Other Income (Refer Note ii below)	40.17	24.85
Foreign exchange loss/(gain) (Refer Note iii below)	(3.13)	1.44
Finance costs	3.65	3.70
Depreciation and amortization	76.78	52.12
Profit/(loss) before tax	**(117.13)**	**22.52**
Tax expense:		
Current tax	0.19	-
Deferred tax expense/(benefit)	(54.61)	(15.02)
Profit/(loss) after tax	**(62.71)**	**37.54**
Other Comprehensive income/(loss)	(1.19)	2.02
Total comprehensive income/(loss) for the year	**(63.90)**	**39.56**
Earning/(loss) per share (Par Value Rs. 10 each)		
(a) Basic	(5.97)	4.06
(b) Diluted	(5.97)	3.99
Weighted average Basic Equity share outstanding	10,50,19,617	9,25,53,796
Weighted average Diluted Potential Equity share outstanding	10,50,19,617	9,41,28,273

i. The reconciliation of Cost of Sales between Schedule III and function wise profit and loss account is as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cost of material consumed as per Schedule III (Refer Note No. 22)	310.78	268.74
Add: Considered separately under other expenses as per Schedule III (Refer Note No. 25)		
Other Processing Charges	1.19	0.98
Royalty	0.16	0.11
Total Cost of material consumed as per function wise profit and loss	**312.13**	**269.83**

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

Note No. 32: Statement of Function wise Profits and Losses (for additional information only)

ii. The reconciliation of Other Income between Schedule III and function wise profit and loss account is as follows:

Particulars	Year ended March 31,	
	2022	2021
Other income as per Schedule III (Refer Note No. 21)	43.30	24.85
Less: Net gain on foreign exchange considered separately in functional wise profit and losses (Refer Note iv below)	(3.13)	-
Other income as per function wise profit and loss	**40.17**	**24.85**

iii. The breakup of foreign exchange loss/(gain) is as under:

Particulars	Year ended March 31,	
	2022	2021
Net loss/(gain) on foreign currency transactions and translation others (other than considered as finance cost) (Refer Note No. 21, Note No. 25 and Note ii above)	(3.13)	1.44
Foreign exchange loss/(gain) as per function wise profit and loss	**(3.13)**	**1.44**

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

Note No. 33: Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013

Name of the entity	Net assets, i.e., total assets minus total liabilities	
	March 31, 2022	March 31, 2021
Parent Company		
Tejas Networks Limited		
As % of consolidated net assets	99.13%	98.68%
Amount	1913.40	1119.24
Subsidiaries		
Foreign		
Tejas Communication Pte. Ltd.		
As % of consolidated net assets	0.87%	1.32%
Amount	16.87	14.96
Total		
As % of consolidated net assets	100.00%	100.00%
Amount	**1,930.27**	**1,134.20**

	Share of profit or loss	
	March 31, 2022	March 31, 2021
Parent Company		
Tejas Networks Limited		
As % of consolidated profit or loss	102.65%	99.36%
Amount	(64.37)	37.30
Subsidiaries		
Foreign		
Tejas Communication Pte. Ltd.		
As % of consolidated profit or loss	-2.65%	0.64%
Amount	1.66	0.24
Total		
As % of consolidated profit or loss	100.00%	100.00%
Amount	**(62.71)**	**37.54**

	Other Comprehensive Income		Total Comprehensive Income	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Parent Company				
Tejas Networks Limited				
As % of consolidated profit or loss	74.23%	82.67%	102.12%	98.51%
Amount	(0.88)	1.67	(65.26)	38.97
Subsidiaries				
Foreign				
Tejas Communication Pte. Ltd.				
As % of consolidated profit or loss	25.77%	17.33%	-2.12%	1.49%
Amount	(0.31)	0.35	1.36	0.59
Total				
As % of consolidated profit or loss	100.00%	100.00%	100.00%	100.00%
Amount	**(1.19)**	**2.02**	**(63.90)**	**39.56**

Note :- Details included above for Tejas Communication Pte. Ltd. Includes the relevant data for its subsidiary (Tejas Communications (Nigeria) Limited)

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

Note No. 34: Expenditure on corporate social responsibility (as per section 135 of the Act)

(a) Gross amount required to be spent by the Company during the year Rs. 0.46 (previous year Rs 0.98).

(b) Amount unspent during the year

Opening Balance	Amount deposited in Specified Fund of Sch.VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	0.46	0.46	-

(c) Amount spent during the year: Rs 0.46 (included under expenditure on corporate social responsibility note no. 24)

Particulars	Incurred	Yet to be incurred	Total
1. Construction / acquisition of any asset	-	-	-
	(-)	(-)	(-)
2. On purposes other than (1) above	0.46	-	0.46
	0.98	(-)	0.98

Previous year figures are in brackets

Particulars	Nature of Service	Year Ended March 31, 2022	Year Ended March 31, 2021
International Institute of Information Technology (IIIT), Bengaluru	Developing the next generation teachers and industry ready students aligned to the Skill India Vision of the Government of India.	0.10	0.25
Sri Aurobindo Society, Puducherry	Project Inclusion aims to bring children with hidden disability who are unable to cope-up with the World around by giving them equal and quality education and aims to bring such children in forefront and makes Inclusive education a reality.	0.10	0.20
Katha	Katha has several programmes in place to help check poverty across the country. Katha brings children living in poverty into reading and quality education. Over the past three decades, through its many programmes, Katha has helped over one million children help themselves out of poverty.	0.05	0.13
Bharatiya Jain Sanghatana	BJS is a registered non-profit social impact organization based in Pune, working in disaster response for the past 35 years. Its work has been widely acknowledged at the national and international levels by governments and several institutions of repute, including the World Health Organization. Since March 2020 BJS has been at the forefront of fighting the COVID pandemic in the country, working in close coordination with state governments, district administrations and municipal corporations across many states.	0.04	-
Shyam Hospital And Research Centre	The hospital is located in Bangarpet town in Kolar district of Karnataka. The hospital was converted to a Covid Care Hospital, so that they could serve as many people as possible.	0.04	-
ELCIA Trust	ELCIA TRUST was established by the Electronics City Industries Association (ELCIA), in 2003 with the objective of effecting social improvement in the villages neighboring Electronics City industrial estate. With a vision to Nurture Growth, they focus on efforts on Education, Vocational training and Health & Hygiene programs for the benefit of the community. ELCIA Trust has worked tirelessly in combating COVID 19 pandemic.	0.05	-
Usha Mahajan Memorial Social Service	The project "SHIKSHA LEARNING CENTRE" at Village Narwana Khas, Dharamshala, Kangra, Himachal Pradesh, under the supervision of "Usha Mahajan Memorial Social Service Organization, aims to contribute, strengthen basic education & nutritional content, delivery, outreach and outcome, with renewed focus on developing practices that nurture health, wellness and education.	0.09	-
Ict Academy Of Tamilnadu	Developing the next generation teachers and industry ready students aligned to the Skill India Vision of the Government of India	-	0.15
Deshpande Foundation	Supports innovation for scalable impact for a sustainable, scalable social and economic impact through innovation and entrepreneurship	-	0.15
Akshaya Patra Foundation, Bengaluru	NGO run school meal programme facilitating education of underprivileged children in India.	-	0.10
Total qualifying expenditure on corporate social responsibility		**0.46**	**0.98**

Note No. 35: Details of investments given as per Section 186 of the Companies Act, 2013

Details of investments (gross)

Name of the party	Relationship	Purpose	March 31, 2022	March 31, 2021
Deposits with financial institutions				
Bajaj Finance	None	Investments in Term Deposits	306.00	60.00
HDFC Limited	None	Investments in Term Deposits	25.00	48.00
Mahindra Finance	None	Investments in Term Deposits	20.79	-
			351.79	**108.00**

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

Note No. 36: Details of amounts rounded off **(Amount in Rupees)**

	Particulars	As at March 31, 2022	As at March 31, 2021
1.	Investment in ELCIA ESDM Cluster (Refer Note No. 5)	11,000/-	11,000/-
2	Effects of exchange rate changes on the balance of cash held in foreign currencies	-	4,616/-

Note No. 37: Additional regulatory information required by Schedule III

(i) **Details of benami property held**

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) **Borrowing secured against current assets**

The group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks and financial institutions are in agreement with the books of accounts.

(iii) **Wilful defaulter**

The group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) **Relationship with struck off companies**

The group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) **Compliance with number of layers of companies**

The group has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) **Compliance with approved scheme(s) of arrangements**

The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) **Utilisation of borrowed funds and share premium**

The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) **Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) **Details of crypto currency or virtual currency**

The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) **Valuation of PP&E, intangible asset and investment property**

The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xi) **Other regulatory information**

Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note(s) to the financial statements, are held in the name of the company.

Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

Note No. 38: Dividend

As per the Company's dividend policy, the Board can recommend to distribute dividend upto 25% of the free cash flow of the corresponding Financial Year, out of retained earnings, after taking into account the relevant provisions of the Companies Act. For the year ended March 31 2022, the Board has reviewed and decided not to recommend any dividend.

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

Note No. 39: Impact of COVID-19 Pandemic

The spread of COVID-19 has severely impacted businesses around the globe. The situation is constantly evolving and Governments in certain states imposed various restrictions with the increase in number of COVID 19 cases during the year ended March 31, 2022. The Company has considered various internal and external information available up to the date of approval of financial results in assessing the impact of COVID-19 pandemic on the financial results for the quarter and year ended March 31, 2022.

During the year ended March 31, 2022, uncertainties caused by the pandemic has resulted in some delays in customer payments and new orders. Management expects potential delays in executing the orders-in-hand, due to an increase in lead-time for sourcing semiconductor components. Based on current assessment, management is of the view that some uncertainty is likely to continue for the next few quarters, till the demand-supply situation in the semiconductor component industry stabilises.

The Company had capital infusion by way of issue of equity shares and share warrants during the year ended March 31, 2022 and the Company does not have borrowings as at year end. In the view of the management, there is no significant impact on the immediate liquidity position of the company based on management's evaluation of future cash flows for the next one year. As at March 31, 2022, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, Inventories and Financial assets. Management has taken into account all possible impact of known events arising from COVID-19 pandemic and supply constraints in making this assessment and has concluded that no further adjustments are considered necessary.

The above impact assessment is however a continuing process given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.

Note No. 39 : Proposed acquiaition of Saankhya Labs Private Limited

On March 30, 2022, the Company has signed definitive agreements to acquire upto 64.40% of shares of Saankhya Labs Private Ltd. Bangalore for Rs 283.94 crore in cash. The acquisition is expected to enhance the Company's Wireless offerings by adding 5G ORAN, 5G Cellular Broadcast and Satellite communication products to its product portfolio. The acquisition of shares is likely to be completed by June 30, 2022. The Company, upon procuring all necessary consents and approvals also intends to proceed with acquiring the balance 35.60% shares through a merger process or a secondary acquisition.

Note No. 40: Previous year's figures have been regrouped/ reclassified wherever necessary to conform with the current year's classification / disclosure.

for **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number (FRN 012754N/N500016)

for **and on behalf of the Board of Directors of Tejas Networks Limited**

Mohan Danivas S A
Partner
Membership no: 209136

Balakrishnan V
Chairman and Director
(DIN:02825465)

Sanjay Nayak
CEO and Managing Director
(DIN:01049871)

Chandrashekar Bhaskar Bhave
Director
(DIN:00059856)

Arnob Roy
COO and Whole Time Director
(DIN:03176672)

Place : Bengaluru
Date : April 22, 2022

Venkatesh Gadiyar
Chief Financial Officer

N R Ravikrishnan
General Counsel, Chief Compliance Officer & Company Secretary