

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tejas Networks Limited

Report on the Audit of Consolidated Financial Results

### Opinion

1. We have audited the consolidated annual financial results of Tejas Networks Limited (hereinafter referred to as 'the Company' or 'the Holding Company') and its subsidiary and a step down subsidiary (Holding Company and its subsidiary and step down subsidiary together referred to as "the Group"), (Refer note 1 to the consolidated annual financial results) for the year ended March 31, 2022 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial results:
  - (i) include the annual financial results of the following entities:
    - a) Tejas Communications Pte. Ltd, Singapore
    - b) Tejas Communications (Nigeria) Limited
  - (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
  - (iii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Group, for the year ended March 31, 2022 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Results' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

4. We draw your attention to the following Note 10 to the consolidated annual financial results which explains the uncertainties and the management's assessment of the financial impact (including recoverability of carrying value of assets) due to supply constraints and other conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

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To the Board of Directors of Tejas Networks Limited

Report on the Consolidated Financial Results

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### Board of Directors' Responsibilities for the Consolidated Financial Results

5. These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group and the consolidated statement of assets and liabilities and the consolidated statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.
6. In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Results

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tejas Networks Limited

Report on the Consolidated Financial Results

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9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 14 below).
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
  - Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
10. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tejas Networks Limited

Report on the Consolidated Financial Results

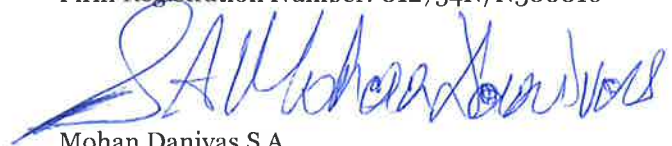
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11. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

### Other Matters

12. The consolidated financial results includes the unaudited financial information of one subsidiary and one step down subsidiary whose financial information reflect total assets of Rs. 24.97 crores and net assets of Rs. 16.87 crores as at March 31, 2022, total revenue of Rs. 28.49 crores and Rs. 4.48 crores, total comprehensive income of Rs. 1.44 crores and Rs. 0.48 crores for the year ended March 31, 2022 and for the quarter ended March 31, 2022 respectively, and cash outflows (net) of Rs. 0.16 crores for the year ended March 31, 2022, as considered in the consolidated financial results. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and a step down subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.
13. The consolidated financial results include the results for the quarter ended March 31, 2022 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year reviewed by us. The consolidated financial results for the quarter ended March 31, 2022 are neither subject to limited review nor audited by us.
14. The consolidated annual financial results dealt with by this report have been prepared for the express purpose of filing with stock exchanges on which the Company's shares are listed. These results are based on and should be read with the audited consolidated financial statements of the Group, for the year ended March 31, 2022 on which we have issued an unmodified audit opinion vide our report dated April 22, 2022.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016



Mohan Danivas S A

Partner

Membership No: 209136

UDIN: 22209136AHOWIZ7466

Place: Bengaluru

Date: April 22, 2022



## Tejas Networks Limited

Registered and Corporate Office: J.P. Software Park, Plot No. 25, Sy. No. 13, 14, 17 and 18,  
Konnappa Agrahara Village, Begur Hobli, Bengaluru 560 100, Karnataka, India.  
Corporate Identity Number: L72900KA2000PLC026980  
Tel: +91 80 4179 4600; Fax: +91 80 2852 0201  
E-mail: corporate@tejasnetworks.com; Website: www.tejasnetworks.com

### Statement of Consolidated Financial Results for the quarter and year ended March 31, 2022

(Rs. in crore except per share data)

Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	Unaudited (Refer Note - 15)	Unaudited	Unaudited (Refer Note - 15)	Audited	Audited
I Revenue from operations	126.50	107.06	201.55	550.59	526.60
II Other Income (Refer Note - 14)	14.36	16.39	3.85	43.30	24.85
<b>III Total income (I + II)</b>	<b>140.86</b>	<b>123.45</b>	<b>205.40</b>	<b>593.89</b>	<b>551.45</b>
<b>IV EXPENSES</b>					
(a) Cost of materials consumed	70.86	62.87	100.19	290.74	268.74
(b) Purchases of stock in trade	5.47	7.15	-	23.69	-
(c) Changes in inventories of stock in trade	(0.33)	(1.65)	-	(3.65)	-
(d) Employee benefit expense	41.35	31.36	36.11	134.43	116.33
(e) Finance costs	0.25	0.78	0.86	3.19	3.70
(f) Depreciation and amortization expense	21.89	20.22	14.44	76.78	52.12
(g) Allowance for expected credit loss	68.49	12.97	9.80	87.76	14.80
(h) Other expenses	28.77	22.66	25.47	98.08	73.24
<b>Total Expenses (IV)</b>	<b>236.75</b>	<b>156.36</b>	<b>186.87</b>	<b>711.02</b>	<b>528.93</b>
<b>V Profit/(Loss) before tax (III - IV)</b>	<b>(95.89)</b>	<b>(32.91)</b>	<b>18.53</b>	<b>(117.13)</b>	<b>22.52</b>
<b>VI Income tax expense/(benefit)</b>					
(1) Current tax expense/(benefit)	9.77	(11.21)	-	0.19	-
(2) Deferred tax expense/(benefit)	(56.04)	2.60	(15.02)	(54.61)	(15.02)
<b>Total tax expense/(benefit)</b>	<b>(46.27)</b>	<b>(8.61)</b>	<b>(15.02)</b>	<b>(54.42)</b>	<b>(15.02)</b>
<b>VII Profit/(Loss) after tax (V - VI)</b>	<b>(49.62)</b>	<b>(24.30)</b>	<b>33.55</b>	<b>(62.71)</b>	<b>37.54</b>
<b>VIII Other comprehensive income/(loss)</b>					
Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit obligation	0.27	(0.50)	1.31	(2.08)	2.21
Income tax relating to above	(0.41)	0.09	-	-	-
Items that will be reclassified to profit or loss					
Exchange differences on translation of foreign operations	(0.34)	0.77	(0.12)	0.89	(0.19)
<b>Total comprehensive income/(loss) for the period (VII + VIII)</b>	<b>(50.10)</b>	<b>(23.94)</b>	<b>34.74</b>	<b>(63.90)</b>	<b>39.56</b>
<b>X Earnings/(Loss) per equity share</b>					
<b>Equity shares of par value Rs. 10 each</b>					
(1) Basic	(4.34)	(2.13)	3.61	(5.97)	4.05
(2) Diluted (Refer Note - 13)	(4.34)	(2.13)	3.49	(5.97)	3.99





## Tejas Networks Limited

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### Consolidated Statement of Assets and Liabilities

Particulars	(Rs. in crore)	
	As at	
	March 31, 2022	March 31, 2021
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	40.09	29.48
Right-of-use assets	14.56	16.10
Intangible assets	83.20	65.43
Intangible assets under development	39.61	24.49
Financial assets		
(i) Investments*	0.00	0.00
(ii) Trade receivables	7.07	72.97
(iii) Other financial assets	5.71	6.91
Current Tax Asset (net)	35.63	62.61
Deferred Tax Assets	111.33	56.72
Other non-current assets	23.19	6.98
<b>Total non - current assets</b>	<b>360.39</b>	<b>341.69</b>
<b>Current assets</b>		
Inventories	278.02	213.65
Financial assets		
(i) Investments	401.78	37.37
(ii) Trade receivables	285.09	341.03
(iii) Cash and cash equivalents	47.56	53.43
(iv) Bank balances other than (iii) above	299.68	164.09
(v) Other financial assets	363.16	110.30
Other current assets	74.44	50.32
<b>Total current assets</b>	<b>1,749.73</b>	<b>970.19</b>
<b>Total assets</b>	<b>2,110.12</b>	<b>1,311.88</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	117.82	96.51
Other equity	1,812.43	1,037.69
<b>Total equity</b>	<b>1,930.25</b>	<b>1,134.20</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Lease liabilities	11.95	17.07
Provisions	0.49	0.69
<b>Total non - current liabilities</b>	<b>12.44</b>	<b>17.76</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings		
(i) Lease liabilities	7.81	4.83
(ii) Trade payables		
(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	22.48	47.26
Provisions	6.92	5.22
Other current liabilities	18.65	10.39
<b>Total current liabilities</b>	<b>167.43</b>	<b>159.92</b>
<b>Total liabilities</b>	<b>179.87</b>	<b>177.68</b>
<b>Total equity and liabilities</b>	<b>2,110.12</b>	<b>1,311.88</b>

\* Amount below the rounding off norm adopted by the Company



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**Consolidated statement of Cash Flows for the year ended on March 31, 2022**

Particulars	(Rs. in crore)	
	Year ended	Year ended
	March 31, 2022	March 31, 2021
	Unaudited	Unaudited
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	(117.13)	22.52
Adjustments to reconcile net profit to net cash generated from operating activities:		
Depreciation and amortization expense	76.78	52.12
Allowance for expected credit loss (net)	87.76	14.80
Interest Income	(26.76)	(20.27)
(Gain)/Loss on current investment carried at fair value through statement of profit and loss	(0.48)	0.18
(Gain)/Loss on sale of current investment carried at fair value through statement of profit and loss	(8.57)	(2.81)
Finance costs recognized in profit or loss	3.19	3.70
Unrealized Exchange Difference on cash held in foreign currencies	0.22	-
Unrealised Exchange Difference (Net)	(0.16)	5.08
Loss/ (profit) on sale of property, plant and equipment	(0.01)	(0.01)
Expense recognized in respect of equity-settled share-based payments	11.20	8.00
	<b>26.04</b>	<b>83.31</b>
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
<b>Cash generated from/(used in) operations</b>	<b>(46.61)</b>	<b>162.42</b>
Income taxes refund/(paid)	29.28	(4.77)
<b>a) Net cash generated from/(used in) operating activities</b>	<b>(17.33)</b>	<b>157.65</b>
<b>Cash flows from investing activities</b>		
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)
Investments in Deposits with financial institutions	(976.79)	(144.44)
Withdrawals of Deposits from banks	136.13	150.62
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>b) Net cash (used in) investing activities</b>	<b>(827.75)</b>	<b>(167.26)</b>
<b>Cash flows from financing activities</b>		
Proceeds from exercise of restricted stock units/employee stock options	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 payment of lease liabilities	(6.24)	(5.73)
Interest payment of lease liabilities	(2.10)	(2.29)
Finance costs paid	(0.98)	(1.12)
<b>c) Net cash generated from/(used in) financing activities</b>	<b>839.43</b>	<b>(3.44)</b>
<b>d) Net decrease in cash and cash equivalents</b>	<b>(5.65)</b>	<b>(13.05)</b>
Cash and cash equivalents at the beginning of the year	53.43	66.48
Effects of exchange rate changes on the balance of cash held in foreign currencies*	(0.22)	0.00
<b>Cash and cash equivalents at the end of the year</b>	<b>47.56</b>	<b>53.43</b>

\* Amount below the rounding off norm adopted by the Company





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### Notes

- The Statement of consolidated financial results includes the results of Tejas Networks Limited ('the Company' or 'the Holding Company') and the following subsidiary/ step down subsidiary (collectively referred as 'the Group' hereunder):
  - Tejas Communication Pte. Limited, Singapore
  - Tejas Communication (Nigeria) Limited
- These consolidated financial results of the Group have been prepared in accordance with Companies (Indian Accounting Standard) Rules, 2015 (as amended) ['Ind AS'] prescribed under section 133 of the Companies Act, 2013 read with relevant rules, issued thereunder, and other recognised accounting practices and policies and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ['Listing Regulations'].

- The Group's operations comprise of only one segment viz. Networking equipment.

- Summary of key standalone financial results of the Company is as follows:

Particulars	(Rs. in crore)				
	Quarter ended March 31, 2022	Quarter ended December 31, 2021	Quarter ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Revenues from operations	125.50	107.04	201.16	549.14	524.49
Profit/(Loss) before tax	(96.91)	(32.66)	18.39	(118.15)	22.27
Profit/(Loss) after tax	(50.64)	(24.05)	33.41	(63.73)	37.29

Note: The standalone financial results of the Group for the above mentioned periods are available in the investors section in www.tejasnetworks.com and also with the stock exchanges where it is listed. The information above has been extracted from the published standalone financial results.

- 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 results.

- 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 crore 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.

- a) The Company has, at various grant dates issued Restricted Stock Units (RSUs) to its employees at face value of the Company's share, which were approved by the Nomination and Remuneration Committee and the Board of Directors. For the quarter ended March 31, 2022, an amount of Rs. 3.82 crore (March 31, 2021: Rs. 1.12 crore) has been recorded as employee share expenses based on requirements in Ind AS 102, 'Share-based payments'. The RSUs granted and outstanding as at March 31, 2022, aggregates to 17,34,425 (March 31, 2021: 12,13,491).

b) The Company has, at various grant dates in the earlier years issued stock options under different Employee Stock Option Plans to its employees at different exercise prices. For the quarter ended March 31, 2022, an amount of Rs. NIL (March 31, 2021: Rs. 1.50 crore) has been recorded as employee share expenses based on requirements in Ind AS 102, 'Share-based payments'.

- The Company has from time to time in the normal course of business entered into factoring agreements on a non-recourse basis with bankers/factoring institutions for some of the trade receivables. As at March 31, 2022 the trade receivables do not include receivables amounting to Rs. 24.60 crore (March 31, 2021: NIL) which have been derecognized in accordance with Ind AS 109, 'Financial Instruments', pursuant to such factoring arrangements entered in the current quarter.

- 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.

#### 10 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.







## Tejas Networks Limited

Registered and Corporate Office: J.P. Software Park, Plot No. 25, Sy. No. 13, 14, 17 and 18,

Konnappana Agrahara Village, Begur Hobli, Bengaluru 560 100, Karnataka, India.

Corporate Identity Number: L72900KA2000PLC026980

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E-mail: corporate@tejasnetworks.com; Website: www.tejasnetworks.com

### 11 Issue of Equity shares and Warrants through Preferential allotment

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 25% of consideration amount received upfront against Series B Warrants shall be adjusted / set-off against the issue price for the resultant equity shares.

- 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.
- 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.
- Other income includes interest on income tax refunds of Rs. 0.16 crore for the quarter ended March 31, 2022 (quarter ended December 31, 2021: Rs. 0.61 crore; quarter ended March 31, 2021: Rs. 0.16 crore), Rs. 2.49 crore for the year ended March 31, 2022 (year ended March 31, 2021: Rs. 10.04 crore).
- The figures for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the respective financial years which were subjected to review by the statutory auditors.
- Mr. Balakrishnan V, has decided to step down from his position as Non-Executive Chairman of the Board and Independent Director of the Company effective April 23, 2022 and the Board at its meeting held today, has approved the appointment of Mr. N. Ganapathy Subramaniam as the Non-Executive Chairman of the Board with effect from May 18, 2022. Mr. N. Ganapathy Subramaniam is a Nominee Director of Panatone Finvest Limited (a Subsidiary of Tata Sons Private Limited).
- The consolidated financial results have been presented in accordance with the amended Division II of Schedule III to the Companies Act, 2013 issued vide notification dated March 24, 2021. Certain assets and liabilities as at March 31, 2021 have been regrouped/reclassified, where necessary, to comply with the amendment. Previous period's figures have been regrouped/reclassified where necessary, to conform with current period's presentation for the purpose of comparability.
- The above statement of consolidated financial results was reviewed and recommended by the Audit Committee of the Board and subsequently approved by the Board of Directors at their respective meetings held on April 22, 2022.

For and on behalf of the Board of Directors

**Sanjay Nayak**  
CEO and Managing Director  
(DIN: 01049871)

Place: Bengaluru  
Date: April 22, 2022

