

Tejas Networks Limited

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

Standalone Balance Sheet as at	Notes	March 31, 2023	March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4(a)	78.28	40.09
Right-of-use assets	4(a)	42.89	14.56
Intangible assets	4(b)	97.85	83.20
Intangible assets under development	4(b)	136.41	39.61
Financial assets			
(i) Investments	5(a)	294.81	10.87
(ii) Trade receivables	6	19.10	7.07
(iii) Other financial assets	8	5.44	5.67
Current tax asset (net)	9(a)	25.82	35.63
Deferred tax assets (net)	9(b)	103.09	111.33
Other non-current assets	10	24.63	23.19
Total non-current assets		828.32	371.22
Current assets			
Inventories	11	628.07	278.02
Financial assets			
(i) Investments	5(b)	262.24	401.78
(ii) Trade receivables	6	462.18	275.51
(iii) Cash and cash equivalents	7(i)	78.98	45.50
(iv) Bank balances other than (iii) above	7(ii)	652.06	299.68
(v) Other financial assets	8	365.03	363.16
Other current assets	10	178.61	74.38
Total current assets		2,627.17	1,738.03
Total assets		3,455.49	2,109.25
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	171.64	117.82
Other equity	13	2,835.63	1,809.28
Total equity		3,007.27	1,927.10
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	14	43.86	11.95
Provisions	15	2.03	0.49
Total non-current liabilities		45.89	12.44
Current liabilities			
Financial liabilities			
(i) Lease liabilities	14	4.37	7.81
(ii) Trade payables	16		
(a) Total outstanding dues of micro enterprises and small enterprises		24.53	11.48
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		282.75	105.22
(iii) Other financial liabilities	17	61.42	20.31
Provisions	15	10.11	6.66
Other current liabilities	18	19.15	18.23
Total current liabilities		402.33	169.71
Total liabilities		448.22	182.15
Total equity and liabilities		3,455.49	2,109.25

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date.

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

N Ganapathy
Subramaniam
Non-Executive Chairman
(DIN: 07006215)

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 21, 2023

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)

Standalone Statement of Profit and Loss	Notes	Year Ended March 31,	
		2023	2022
I Revenue from operations	19	869.08	549.14
II Other Income	20	79.14	43.25
III Total income (I + II)		948.22	592.39
IV Expenses			
Cost of materials consumed	21A	529.92	290.74
Purchases of stock in trade	21C	31.82	23.69
Changes in inventories of stock in trade	21B	(1.84)	(3.65)
Employee benefit expense	22	172.16	124.51
Finance costs	23A	5.20	3.03
Depreciation and amortization expense	4(c)	105.13	76.78
Allowance for expected credit loss	23B	(33.32)	87.91
Other expenses	24	127.86	107.53
Total expenses (IV)		936.93	710.54
V Profit/(Loss) before tax (III - IV)		11.29	(118.15)
VI Income tax expense	25		
Current tax		-	0.19
Deferred tax expense/(benefit)		8.25	(54.61)
Total tax expense (VI)		8.25	(54.42)
VII Profit/(Loss) after tax (V- VI)		3.04	(63.73)
VIII Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligation		(2.92)	(2.08)
Income tax relating to above		-	-
Other comprehensive income/(loss) for the year, net of tax (VIII)		(2.92)	(2.08)
IX Total comprehensive income/(loss) for the year (VII + VIII)		0.12	(65.81)
X Earnings/(Loss) per equity share (Refer Note No. 29.6)			
Equity shares of par value Rs. 10 each			
Basic		0.20	(6.07)
Diluted		0.19	(6.07)
Weighted average equity shares used in computing earnings per equity share			
Basic		15,36,77,077	10,50,19,617
Diluted		15,70,58,060	10,50,19,617

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(DIN:03176672)Place : Bengaluru
Date : April 21, 2023Venkatesh Gadiyar
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Tejas Networks Limited
Standalone 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, 2021*		96.51
Increase in equity share capital on account of exercise of ESOP and RSU	12	1.93
Issue of equity shares under Private Placement		19.38
As at March 31, 2022*		117.82
Increase in equity share capital on account of exercise of ESOP and RSU	12	1.49
Issue of equity shares under Private Placement		52.33
As at March 31, 2023*		171.64

*Includes forfeited shares of Rs. 3.27

B. Other Equity

Particulars	Notes	Reserves and Surplus			Money received against share warrants	Total equity attributable to shareholders of the Company
		Securities premium	Employee stock compensation outstanding account	Retained earnings		
Balance as at April 01, 2021		951.27	33.12	52.06	-	1,036.45
(Loss)/Profit for the year	13	-	-	(63.73)	-	(63.73)
Other comprehensive (loss)/income (Remeasurement of defined benefit obligation net of income tax)	13	-	-	(2.08)	-	(2.08)
Total comprehensive (loss)/income for the year		-	-	(65.81)	-	(65.81)
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		480.62	-	-	-	480.62
Private Placement Shares issue expense		(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	(13.75)	337.50	1,809.28
Balance as at April 01, 2022		1,456.24	29.29	(13.75)	337.50	1,809.28
Profit/(Loss) for the year	13	-	-	3.04	-	3.04
Other comprehensive (loss)/income (Remeasurement of defined benefit obligation net of income tax)	13	-	-	(2.92)	-	(2.92)
Total comprehensive income/(loss) for the year		-	-	0.12	-	0.12
Transaction with owners in their capacity as owners:						
Premium received on exercise of ESOP	13	7.34	-	-	-	7.34
Premium received on Issue of shares through Private placement	13	1,297.67	-	-	-	1,297.67
Employee Share based payment expenses	22	-	58.72	-	-	58.72
Reclassification upon exercise of ESOP/RSU	13	12.09	(12.09)	-	-	-
Conversion of share warrants	13	-	-	-	(337.50)	(337.50)
Balance as at March 31, 2023		2,773.34	75.92	(13.63)	-	2,835.63

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

As per our report of even date.

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

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Director
(DIN:00059856)

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

Place : Bengaluru
Date : April 21, 2023

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)

Standalone Statement of Cash Flows	Notes	Year Ended March 31,	
		2023	2022
Cash flows from operating activities			
Profit/(Loss) before tax for the year		11.29	(118.15)
Adjustments to reconcile net profit/(loss) to net cash generated by operating activities:			
Depreciation and amortization expense	4(c)	105.13	76.78
Allowance for expected credit loss	23B	(33.32)	87.91
Interest Income	20	(57.58)	(26.76)
Gain on current investments carried at fair value through statement of profit and loss	20	(0.63)	(0.48)
Gain on sale of current investments carried at fair value through statement of profit and loss	20	(18.83)	(8.57)
Finance costs	23A	5.20	3.03
Unrealized exchange difference on cash held in foreign currencies		(0.56)	0.22
Unrealised exchange differences (Net)		(0.63)	(1.04)
Profit on sale of property, plant and equipment	20	(0.01)	(0.01)
Expense recognized in respect of equity-settled share-based payments	22	29.45	11.20
		39.51	24.13
Movements in working capital:			
(Increase)/decrease in inventories		(350.05)	(64.37)
(Increase)/decrease in trade receivables		(164.80)	35.04
(Increase)/decrease in other financial assets		(24.21)	(7.93)
(Increase)/decrease in other assets		(104.06)	(30.76)
Increase/(decrease) in trade and other payables		190.64	18.41
Increase/(decrease) in provisions		1.90	(0.95)
Increase/(decrease) in other financial liabilities		28.13	(29.82)
Increase/(decrease) in other liabilities		0.92	8.42
Cash used in operations		(382.02)	(47.83)
Income taxes refund		12.71	29.28
Net cash used in operating activities (A)		(369.31)	(18.55)
Cash flows from investing activities			
Expenditure on property, plant and equipment		(50.68)	(30.75)
Expenditure on intangible assets (including under development)		(185.16)	(86.62)
Sale proceeds of property, plant and equipment		0.05	0.01
Investments in Deposits with banks		(714.94)	(271.56)
Withdrawals of Deposits from banks		363.93	136.13
Investments in Deposits with financial institutions		-	(976.79)
Withdrawals of Deposits from financial institutions		51.79	733.00
Investments in liquid mutual funds		(3,962.89)	(2,369.67)
Redemption of liquid mutual funds		4,121.89	2,014.32
Investment in subsidiary		(283.94)	-
Interest received		51.38	24.16
Net cash used in investing activities (B)		(608.57)	(827.77)
Cash flows from financing activities			
Proceeds from exercise of RSUs/ESOPs		8.83	11.44
Proceeds from Issue of Fresh Equity shares through Private Placement (Net of Issue Expense)		1,012.50	499.81
Proceeds from issue of share warrants		-	337.50
Principal repayment on lease liabilities		(5.49)	(6.24)
Interest payment on lease liabilities		(4.36)	(2.10)
Finance costs paid		(0.68)	(0.82)
Net cash generated from financing activities (C)		1,010.80	839.59

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

Standalone Statement of Cash Flows	Notes	Year Ended March 31,	
		2023	2022
Net increase/(decrease) in cash and cash equivalents (A+B+C)		32.92	(6.72)
Cash and cash equivalents at the beginning of the year [Refer Note No. 7(i)]		45.50	52.44
Effects of exchange rate changes on the balance of cash held in foreign currencies		0.56	(0.22)
Cash and cash equivalents at the end of the year [Refer Note No. 7(i)]		78.98	45.50

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

As per our report of even date.

for **Price Waterhouse Chartered Accountants LLP**
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Place : Bengaluru
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1 Corporate Information

Tejas Networks Limited ('Tejas' or 'the Company' CIN: L72900KA2000PLC026980) is a Wireline and Wireless telecom and data networking products company 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 Company also exports its products to overseas territories.

The Company 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.

These financial statements have been approved by the Company's Board of Directors on April 21, 2023.

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation of standalone financial statements

(i) Compliance with Ind AS

The 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 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 Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments 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 31 March 2023 notified Companies (Indian Accounting standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

(v) Operating cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company 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 Revenue Recognition:

2.2.1 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 Company 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 Company 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. 2.11).

2.2.2 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 invoicing to customers, a contract asset (which we refer to as unbilled revenue) is recognised. If the invoicing exceed the services rendered, a contract liability is recognised (which we refer to as deferred revenue).

Tejas Networks Limited
Notes to the standalone financial statements for the year ended March 31, 2023

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

2.3 Property, Plant and Equipment

2.3.1 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 Company 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.

2.3.2 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.

<u>Asset</u>	<u>Useful Life</u>
Laboratory equipment	5 years
Networking equipment	5 years
Electrical Installation	5 years
Furniture and 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

Leasehold improvements are depreciated over its useful life or the lease term whichever is lower.

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 Company 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.

2.4 Intangible Assets

2.4.1 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 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.

2.4.2 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:

- Product's technical and marketing feasibility has been established;
- There is likelihood of the product delivering sufficient future economic benefit; and
- The Company has 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. 2.3).

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

2.4.3 Amortization

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

<u>Asset</u>	<u>Useful Life</u>
Computer Software	Over the license period
Product development	24 months

2.4.4 On transition to Ind AS, the Company 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.

2.5 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.

2.6 Financial instruments

Financial assets and financial liabilities are recognized when a Company becomes a 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.

2.7 Investments and Other Financial assets

2.7.1 Classification

The Company 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 amortised cost.

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

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

2.7.2 Recognition

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

2.7.3 Subsequent Measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company 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 Company subsequently measures all equity investments at fair value. Where the Company 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 Company's right to receive payments 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.

2.7.4 Investment in Subsidiaries

Investment in Subsidiaries is carried at cost.

2.7.5 Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortised 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 Company 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.

2.7.6 Derecognition

A financial asset is derecognized only when

- the Company 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 Company 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 derecognized.

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 Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

2.7.7 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 Company, and the amount of the dividend can be measured reliably.

2.8 Financial liabilities

2.8.1 Classification as liability or equity

Financial liability and equity instruments issued by a Company 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.

2.8.2 Subsequent Measurement

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

2.8.3 Derecognition

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

2.9 Trade Payables

These amounts represent liabilities for goods and services provided to the Company 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.

2.10 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.

2.11 Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as result of a past event, it is probable that the Company 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 Company provides post sale support / warranty support to some of its customers. The Company 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.

2.12 Foreign Currency Transactions

(i) Functional and presentation currency

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

(ii) Transactions and translations

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in statement profit and loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of entity's net investment in that foreign operation. 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.

2.13 Earnings per equity share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- 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.

2.14 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 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 financial 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.

2.15 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 Statement of profit and 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 Company 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 Company 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 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 profit or loss as past service cost.

(iv) Defined contribution plans

The Company pays provident fund and pension contributions to publicly administered funds as per local regulations. The Company 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 Company has constituted the following plans - 'Tejas Employee Stock Option Plan 2014', 'Tejas Employee Stock Option Plan 2014 - A', 'Tejas Employees Stock Option Plan 2016', 'Tejas Restricted Stock Unit Plan 2017' ("RSU – 2017") and 'Tejas Restricted Stock Unit Plan 2022' ("RSU – 2022") 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 Company 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.

2.16 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 Company are segregated.

2.17 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]

2.18 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 under residual value guarantees
- c) the exercise price of a purchase option if it is reasonably certain that the Company 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, 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 Company:

- 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 Company, 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

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 company 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.

2.19 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 Company 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 company will comply with all attached conditions.

2.20 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.

2.21 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

The Company 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.

2.22 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.

2.23 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised 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 amortised 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 Company has an unconditional right to defer settlement of the liability for at least 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 Company 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.

2.24 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.

2.25 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.

2.26 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.

2.27 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 Company for the year, the nature and amount of such items is disclosed as exceptional items.

2.28 Rounding of amounts

All amounts disclosed in the financial 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 financial 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 Company'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 financial statements.

The areas involving critical estimates and judgments are:

- (i) Product Development costs (capitalisation of product development cost including intangibles under development), related estimate of their useful life and assessment of 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) Impairment of investment in subsidiaries - Refer Note No. 5(a)
- (v) Recoverability of deferred tax assets on tax losses and MAT credit - Refer Note No. 9(b)
- (vi) Evaluation of tax litigations - Refer Note No. 29.1
- (vii) Government grant - Refer Note No. 41
- (viii) Valuation of employee share based options - Refer Note No. 30

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 Company and that are believed to be reasonable under the circumstances.

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

Particulars	Laboratory Equipment	Networking Equipment	Electrical Installation	Furniture and Fixtures	Office Equipment	Computing Equipment	Vehicles	Plant and Machinery - Cards/ Prototypes and Others	Servers	Total	Right-of-use asset*
Gross carrying value as of April 1, 2021	24.51	1.15	7.34	9.63	1.88	9.18	0.14	36.81	4.25	94.89	26.52
Additions	8.94	0.53	0.22	0.11	0.46	2.48	-	13.34	1.46	27.54	4.59
Deletions	-	-	-	-	-	0.01	-	-	-	0.01	2.32
Gross carrying value as of March 31, 2022	33.45	1.68	7.56	9.74	2.34	11.65	0.14	50.15	5.71	122.42	28.79
Accumulated depreciation as of April 1, 2021	(17.24)	(0.72)	(6.20)	(6.97)	(1.13)	(6.86)	(0.09)	(24.09)	(2.11)	(65.41)	(10.42)
Depreciation for the year	(3.78)	(0.21)	(0.47)	(0.99)	(0.41)	(1.58)	(0.04)	(8.57)	(0.88)	(16.93)	(6.13)
Accumulated depreciation on deletions	-	-	-	-	-	(0.01)	-	-	-	(0.01)	(2.32)
Accumulated depreciation as of March 31, 2022	(21.02)	(0.93)	(6.67)	(7.96)	(1.54)	(8.43)	(0.13)	(32.66)	(2.99)	(82.33)	(14.23)
Carrying value as of March 31, 2022	12.43	0.75	0.89	1.78	0.80	3.22	0.01	17.49	2.72	40.09	14.56
Gross carrying value as of April 1, 2022	33.45	1.68	7.56	9.74	2.34	11.65	0.14	50.15	5.71	122.42	28.79
Additions	27.77	2.51	2.14	1.85	1.06	5.49	-	15.54	5.69	62.05	35.93
Deletions	-	-	-	-	-	0.06	-	-	-	0.06	-
Gross carrying value as of March 31, 2023	61.22	4.19	9.70	11.59	3.40	17.08	0.14	65.69	11.40	184.41	64.72
Accumulated depreciation as of April 1, 2022	(21.02)	(0.93)	(6.67)	(7.96)	(1.54)	(8.43)	(0.13)	(32.66)	(2.99)	(82.33)	(14.23)
Depreciation for the year	(6.86)	(0.70)	(0.55)	(1.87)	(0.66)	(2.44)	(0.01)	(9.24)	(1.49)	(23.82)	(7.60)
Accumulated depreciation on deletions	-	-	-	-	-	(0.02)	-	-	-	(0.02)	-
Accumulated depreciation as of March 31, 2023	(27.88)	(1.63)	(7.22)	(9.83)	(2.20)	(10.85)	(0.14)	(41.90)	(4.48)	(106.13)	(21.83)
Carrying value as of March 31, 2023	33.34	2.56	2.48	1.76	1.20	6.23	-	23.79	6.92	78.28	42.89

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

Notes:

(i) The Company 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 Company as on March 31, 2023, has submitted claims aggregating to Rs. 8.98 (March 31, 2022 - Rs. 8.98) which has not been adjusted to the cost of respective assets in the absence of reasonable assurance that the amount 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 Company.

Note No. 4(b): Intangible Assets

Particulars	Amount in IAUD for a period of		Total	Intangible Assets under development (IAUD) ¹
	Computer Software	Product Development		
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
Transfer	-	-	-	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
Gross carrying value as of April 1, 2022	28.92	344.01	372.93	39.61
Additions	11.77	76.59	88.36	173.39
Transfer	-	-	-	76.59
Gross carrying value as of March 31, 2023	40.69	420.60	461.29	136.41
Accumulated amortization as of April 1, 2022	(25.22)	(264.51)	(289.73)	-
Amortization expenses for the year	(6.51)	(67.20)	(73.71)	-
Accumulated amortization as of March 31, 2023	(31.73)	(331.71)	(363.44)	-
Carrying value as of March 31, 2023	8.96	88.89	97.85	136.41

Remaining useful life for product development ranges from 1 to 24 months (March 31, 2022: 1 to 24 months)

Notes:

- Additions to Intangible Assets under development includes capitalization of employee benefit expense and other eligible expenses (Refer Note No. 22 and Note No. 24).
- Management has carried out an impairment evaluation of its intangible assets under development as at March 31, 2023 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 35% to 60% (March 31, 2022: by 6% to 16%) 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.
- As at March 31, 2023, the net carrying amount of product development is Rs. 88.89 (March 31, 2022 – Rs. 79.50). The Company 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. 53.02 as at March 31, 2023 (Rs. 48.17 as at March 31, 2022). If the useful life were estimated to be 3 years, the carrying amount would be Rs. 121.74 as at March 31, 2023 (Rs. 102.04 as at March 31, 2022).

(a) Intangible assets under development ageing schedule

As at March 31, 2023

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	84.37	52.04	-	-	136.41
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

Particulars	Amount in IAUD 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
Projects temporarily suspended	-	-	-	-	-

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

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

b) For Intangible assets under development, whose completion is overdue as compared to its original plan or has exceeded its cost compared to its original plan, the details of when the project is expected to be completed is given below. This does not include revision of cost due to additional features included in the projects.

As at March 31, 2023

Project Name	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Completion is overdue and exceeds its cost compared to its original plan					
Project 14	1.53	-	-	-	1.53
Total	1.53	-	-	-	1.53

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	
Completion is overdue*					
Project 4	4.69	-	-	-	4.69
Project 10	4.72	-	-	-	4.72
Project 11	2.41	-	-	-	2.41
Project 12	1.75	-	-	-	1.75
Project 13	0.77	-	-	-	0.77
Total	14.34	-	-	-	14.34

*There are no projects under development which has exceeded its cost compared to its original plan as at March 31, 2022.

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

Particulars	Year ended March 31,	
	2023	2022
Depreciation on property, plant and equipment [Refer Note No. 4(a)]	23.82	16.93
Depreciation on Right of use assets [Refer Note No. 4(a)]	7.60	6.13
Amortization of intangible assets [Refer Note No. 4(b)]	73.71	53.72
Total depreciation and amortization expense	105.13	76.78

Tejas Networks Limited
Notes to the standalone financial statements for the year ended March 31, 2023

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

Note No. 5: Investments

Particulars	As at			
	March 31, 2023	March 31, 2022		
5(a) Non-current investments (Unquoted)				
(i) Investment in subsidiaries				
Equity instruments of subsidiaries (at cost)				
14,64,340 (As at March 31, 2022: 14,64,340) equity shares fully paid up in Tejas Communication Pte Ltd, Singapore	6.69	6.69		
62,51,496 (As at March 31, 2022: NIL) equity shares fully paid up in Saankhya Labs Private Limited ¹ .	283.94	-		
Total investment in equity instruments of subsidiaries	290.63	6.69		
Preference shares of subsidiary (at cost) ²				
13,68,400 (As at March 31, 2022: 13,68,400) Redeemable Preference Shares fully paid up in Tejas Communication Pte Limited, Singapore	4.18	4.18		
Total investment in preference shares of subsidiaries	4.18	4.18		
Total investments in subsidiaries	294.81	10.87		
(ii) Other Investments (Unquoted) {FVTPL}				
Equity instruments of others				
Investment in ELCIA ESDM Cluster (No. of shares 1100) (Refer Note No. 36)	0.00	0.00		
Total other investments	0.00	0.00		
5(b) Current investments (Quoted) {FVTPL}				
Investment in Mutual funds	Number of units	Amount	Number of units	Amount
Aditya Birla Sun Life Liquid Fund - Growth Direct Plan	-	-	3,50,686	12.03
Axis Liquid Fund - Direct Growth (CFDG)	-	-	53,448	12.64
ICICI Prudential Liquid Fund - Direct Plan - Growth	-	-	3,44,166	10.85
Nippon India Money Market Fund - Direct Growth Plan Growth Option - LQAG	-	-	15,767	5.28
Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option - LFAG	1,43,556	79.05	5,763	3.00
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	5,15,814	183.19	10,35,206	347.88
Total current investments		262.24		401.78
Non Current Investments				
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		294.81		10.87
Aggregate amount of impairment in the value of investments		-		-
Current Investments				
Aggregate amount of quoted investments and market value thereof		262.24		401.78
Aggregate amount of unquoted investments		-		-
Aggregate amount of impairment in the value of investments		-		-

¹ Pursuant to a definitive agreement entered into by the Company with Saankhya Labs Private Limited (Saankhya Labs) and its shareholders on March 30, 2022, the Company acquired majority stake in Saankhya Labs Private Limited on July 1, 2022. The Company between July 01, 2022 to August 19, 2022 acquired 64.40% of equity shares in aggregate through secondary purchase at a price of Rs. 454.19 per equity share aggregating to Rs. 283.94 crore.

² Preference shares are redeemable only at the option of Tejas Communication Pte. Ltd and carry a cumulative right of dividend at a fixed rate 0.01% (\$0.0001 per share). This investment has been treated as investment in an equity instrument.

³ Management has carried out an impairment evaluation of its investment in its subsidiaries as at March 31, 2023 and concluded that no impairment is considered necessary. Where the company has used value in use method for its assessment, key assumptions used include revenue growth projections and discount rate. A decrease in projected revenue by 5.3% 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 being equal to their carrying amount.

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

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

Note No. 6: Trade Receivables

Particulars	As at	
	March 31, 2023	March 31, 2022
Trade receivables from contract with customers - billed	536.38	379.98
Trade receivables from contract with customers - unbilled	8.16	9.62
Trade receivables from contract with customers - related parties (Refer Note No. 29.8)*	30.80	20.36
Less: Loss allowance (Refer Note No. 27A)	(94.06)	(127.38)
Trade Receivables	481.28	282.58
Current portion	462.18	275.51
Non-current portion	19.10	7.07
Break-up of securities details		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	575.34	409.96
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	575.34	409.96
Loss allowance	(94.06)	(127.38)
Total trade receivables	481.28	282.58

* Out of the total amount receivable from related parties, an amount of Rs. 4.07 pertains to receivables from entity where directors are interested

Tejas Networks Limited
Notes to the standalone financial statements for the year ended March 31, 2023

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

Ageing as at March 31, 2023

Non-current

Particulars	Unbilled Receivable	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	19.37	-	-	-	-	-	19.37
(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	-	-	-	-	-	-	-	-
Total	-	19.37	-	-	-	-	-	19.37

Current

Particulars	Unbilled Receivable	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	8.16	331.35	88.76	27.47	41.49	31.23	27.51	555.97
(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	-	-	-	-	-	-	-	-
Total	8.16	331.35	88.76	27.47	41.49	31.23	27.51	555.97

Ageing as at March 31, 2022

Non-current

Particulars	Unbilled Receivable	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(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	-	-	-	-	-	-	-	-
Total	-	7.71	-	-	-	-	-	7.71

Current

Particulars	Unbilled Receivable	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	9.62	153.73	75.88	46.23	59.10	34.70	22.99	402.25
(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	-	-	-	-	-	-	-	-
Total	9.62	153.73	75.88	46.23	59.10	34.70	22.99	402.25

Tejas Networks Limited
Notes to the standalone financial statements for the year ended March 31, 2023

(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, 2023	March 31, 2022
(i) Cash and cash equivalents		
(a) Balances with banks		
(i) In current accounts	58.31	30.20
(ii) In EEFC accounts	20.67	15.30
Total cash and cash equivalents	78.98	45.50
(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	650.14	296.77
Balances held as margin money or security against fund and non-fund based banking arrangements	1.89	2.88
Total other bank balances	652.06	299.68

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, 2023	March 31, 2022
a) Current Accounts		
Axis Bank	0.67	0.79
Citibank	0.05	0.04
Citibank, Dubai	0.14	0.05
Citibank, Mexico	0.15	0.01
Citibank, USA	0.89	1.07
ICICI Bank	-	-
Kotak Mahindra Bank	0.36	13.78
Standard Chartered Bank	55.83	14.18
Standard Chartered Bank, Nairobi	0.18	0.27
State Bank of India	0.04	0.01
	58.31	30.20
b) EEFC Accounts		
Citibank	0.77	0.45
Standard Chartered Bank	19.90	14.85
	20.67	15.30
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	21.10	153.76
Citibank	-	0.44
IndusInd Bank	167.95	47.76
Karnataka Bank	30.00	70.00
Kotak Mahindra Bank	1.36	12.17
Standard Chartered Bank	-	2.64
State Bank of India	389.73	-
Yes Bank	40.00	10.00
	650.14	296.77
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	0.45
Kotak Mahindra Bank	0.44	1.78
State Bank of India	1.00	0.65
	1.89	2.88
Total cash and cash equivalent (a+b)	78.98	45.50
Total other bank balances with maturity more than three months but less than twelve months (c+d+e)	652.06	299.68
f) Deposits with remaining maturity of more than twelve months (Refer Note 8)		
Citibank	-	0.22
	-	0.22
g) 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
h) Deposits with financial institutions (Refer Note No. 8)		
Bajaj Finance Limited	300.00	306.00
HDFC Limited	-	25.00
Mahindra & Mahindra Financial Services Limited	-	20.79
	300.00	351.79

Tejas Networks Limited

Notes to the standalone financial statements for the year ended March 31, 2023

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

Note No. 8: Other Financial Assets

Particulars	As at	
	March 31, 2023	March 31, 2022
Non-current financial assets		
Security deposits	5.53	5.54
Less: Provision	(0.09)	(0.09)
	5.44	5.45
Deposits with remaining maturity of more than twelve months		
(i) In deposit accounts	-	0.22
Total non-current financial assets	5.44	5.67
Current financial assets		
Security deposits	0.93	0.87
Less: Provision	(0.26)	(0.26)
	0.67	0.61
Deposits with financial institutions	300.00	351.79
Interest accrued but not due	3.98	0.96
Deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	-	1.15
Foreign exchange forward contracts	0.02	0.60
Other Receivables	30.02	8.05
Other Receivables - Related Party (Refer Note No. 29.8)*	30.34	-
Total current financial assets	365.03	363.16

* The entire amount of pertains to receivables from a private company where directors are interested.

Note No. 9: Tax assets

Particulars	As at	
	March 31, 2023	March 31, 2022
9(a) Current Tax Asset (net)		
Advance Income Tax (net)	25.82	35.63
	25.82	35.63
9(b) Deferred Tax Assets/(Liabilities)		
The balance comprises temporary differences attributable to:		
Difference between tax base and carrying amounts of asset and liabilities (including expenses deductible upon payment)	(52.69)	16.71
Lease liabilities	16.85	6.90
Unabsorbed depreciation and allowances under section 35	109.78	48.67
MAT credit	44.14	44.14
Total deferred tax assets	118.08	116.42
Right-of-use assets	(14.99)	(5.09)
Net deferred tax assets	103.09	111.33

Tejas Networks Limited

Notes to the standalone financial statements for the year ended March 31, 2023

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

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	MAT credit	Total
As at April 01, 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
(Charged)/Credited					
- to statement of profit and loss	(69.40)	0.05	61.11	-	(8.24)
As at March 31, 2023	(52.69)	1.86	109.78	44.14	103.09

Note: The Company has not recognised deferred tax asset on certain brought forward losses and scientific research on account of ongoing tax litigations in these matters.

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

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

Note No. 10: Other assets

Particulars	As at	
	March 31, 2023	March 31, 2022
Other non-current assets		
Pre-paid gratuity contributions (asset) (Refer Note No -22)	0.30	0.23
Prepaid expenses	0.27	0.43
Capital advances	8.54	6.93
Balances with government authorities (other than income taxes)	15.52	15.60
Total other non-current assets	24.63	23.19
Other current assets		
Advances to suppliers	58.52	29.82
Advances to suppliers - related parties (Refer Note No. 29.8)	1.17	2.80
Advances others	0.02	0.03
Balances with government authorities (other than income taxes)	113.06	38.90
Prepaid expenses	4.58	2.73
Advances to employees	1.26	0.10
Total other current assets	178.61	74.38

Note No. 11: Inventories

Particulars	As at	
	March 31, 2023	March 31, 2022
Raw material - components including assemblies and sub-assemblies [including goods in transit Rs. 13.54 (March 31, 2022: Rs. 0.28)]	622.58	274.37
Traded Goods	5.49	3.65
Total inventories*	628.07	278.02

*Net of write down of inventories amounting to Rs. 8.74 (March 31, 2022 Rs. 7.68).

Tejas Networks Limited

Notes to the standalone financial statements for the year ended March 31, 2023

(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
i) Authorised Capital		
Equity Share Capital of Rs. 10/- each		
As at April 01, 2021	17,64,52,000	176.45
Changes in equity share capital during the year		
Increase during the year	2,35,48,000	23.55
As at March 31, 2022	20,00,00,000	200.00
Changes in equity share capital during the year		
Increase during the year	6,00,00,000	60.00
As at March 31, 2023	26,00,00,000	260.00
ii) Issued, Subscribed and Paid up Capital		
Equity Share Capital of Rs. 10/- each		
Fully paid shares		
As at April 1, 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 (vi))	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
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 (vi))	14,95,363	1.49
Issue of equity shares under Private Placement (Refer (b) below)	5,23,25,582	52.33
As at March 31, 2023	16,83,70,853	168.37
iii) Forfeited shares (to the extent of amount paid up)*		
As at April 1, 2021	3,27,27,930	3.27
Transaction during the year	-	-
As at March 31, 2022	3,27,27,930	3.27
Transaction during the year	-	-
As at March 31, 2023	3,27,27,930	3.27
	As at	
	March 31, 2023	March 31, 2022
Total Equity Share Capital (ii+iii)	171.64	117.82

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

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.

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

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

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. 500.00 (“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. 950.00 (“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. 400.00 (“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 , which includes exercise price on subscription shares amounting to Rs. 500.00 and 25% of the Series A Warrants and Series B Warrants amounting to Rs. 237.50 and Rs. 100.00 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.

On April 8, 2022, the balance 75% of the exercise price of Series A Warrants amounting to Rs. 712.50 was received against allotment of 3,68,21,706 number of equity shares. On February 03, 2023 Panatone Finvest Limited exercised the right attached to the Series B Warrants and subscribed to the equity shares by remitting the balance 75% of the Exercise Price of Series B Warrant amounting to Rs. 300.00. On February 6, 2023, the Company allotted 1,55,03,876 equity shares upon exercise of warrants.

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

Particulars	As at	
	March 31, 2023	March 31, 2022
Panatone Finvest Limited		
Number of shares held	9,49,05,686	4,25,80,104
% holding in that class of shares	56.37%	37.17%
% Change during the year (*)	122.89%	0.01%

* Shares were issued for the first time to the aforesaid promoters during the year ended March 31, 2022. Hence the percentage change computed as at March 31, 2022 is with respect to the date of issue. Refer note 12(b) above.

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

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

d) Details of shares of the company held by holding/ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

Particulars	As at	
	March 31, 2023	March 31, 2022
Panatone Finvest Limited (holding company)		
Number of shares held	9,49,05,686	4,25,80,104

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

Particulars	As at	
	March 31, 2023	March 31, 2022
Panatone Finvest Limited		
Number of shares held	9,49,05,686	4,25,80,104
% holding in that class of shares	56.37%	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	3.42%	5.03%

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 No. 30) and commitments for the issue of shares:

Particulars	As at	
	March 31, 2023	March 31, 2022
Equity shares of Rs. 10/- each		
ESOP Schemes	20,12,794	30,91,873
Outstanding at the end of the year	20,12,794	30,91,873
Options available for grant	-	-
RSU	66,40,488	20,77,034
Outstanding at the end of the year	38,57,748	17,34,245
Units available for grant	27,82,740	3,42,789
Share Warrants (Refer (b) above)	-	5,23,25,582
Commitments for the issue of shares	-	5,23,25,582

Refer Note No. 40 for proposed issue of shares on account of proposed merger subject to regulatory approvals.

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

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

Note No. 13: Other Equity

Particulars	As at	
	March 31, 2023	March 31, 2022
Securities premium	2,773.34	1,456.24
Retained earnings	(13.63)	(13.75)
Employee stock compensation outstanding account	75.92	29.29
Money received against share warrants	-	337.50
Total Other Equity	2,835.63	1,809.28

(i) Securities premium

Particulars	As at	
	March 31, 2023	March 31, 2022
Opening Balance	1,456.24	951.27
Premium received upon exercise of ESOP	7.34	9.51
Premium received on Issue of shares through Private placement	1,297.67	480.62
Private Placement Shares issue expense	-	(0.19)
Reclassification upon exercise of ESOP/RSU	12.09	15.03
Closing Balance	2,773.34	1,456.24

(ii) Retained earnings

Particulars	As at	
	March 31, 2023	March 31, 2022
Opening Balance	(13.75)	52.06
(Loss)/Profit for the year	3.04	(63.73)
<i>Items of other comprehensive income recognized directly in retained earnings</i>		
Remeasurement of defined benefit obligation net of income tax	(2.92)	(2.08)
Closing Balance	(13.63)	(13.75)

(iii) Employee stock compensation outstanding account

Particulars	As at	
	March 31, 2023	March 31, 2022
Opening Balance	29.29	33.12
Share based payment expenses (Refer Note No. 30(viii))	58.72	11.20
Reclassification upon exercise of ESOP/RSU	(12.09)	(15.03)
Closing Balance	75.92	29.29

(iv) Money received against share warrants

Particulars	As at	
	March 31, 2023	March 31, 2022
Opening Balance	337.50	-
Transaction during the year (Refer Note No. 12(b))	(337.50)	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 Company's share based payment schemes over the vesting period.

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

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

Note No. 14: Lease Liabilities

Particulars	As at	
	March 31, 2023	March 31, 2022
Non-Current		
Lease Liabilities	43.86	11.95
Total non-current	43.86	11.95
Current		
Lease Liabilities	4.37	7.81
Total current	4.37	7.81

Net Debt Reconciliation

Particulars	Lease Liabilities
Debt as on April 01, 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
Acquisitions - finance leases	33.96
Interest expense	4.36
Repayment of interest and principal	(9.85)
Debt as on March 31, 2023	48.23

Note No. 15: Provisions

Particulars	As at	
	March 31, 2023	March 31, 2022
Non-current provisions		
Other provisions		
Warranty	2.03	0.49
Total non-current provisions	2.03	0.49
Current provisions		
Provision for employee benefits		
Compensated absences (Refer Note No. 22)	7.77	5.21
Other provisions		
Warranty	2.34	1.45
Total current provisions	10.11	6.66

Movement in Warranty

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

Particulars	As at	
	March 31, 2023	March 31, 2022
Opening balance	1.94	1.21
Unwinding of interest on provisions	0.17	0.11
Additions	8.93	3.76
Utilisation	(6.67)	(3.14)
Closing balance	4.37	1.94
Disclosed as:		
Non-current	2.03	0.49
Current	2.34	1.45
	4.37	1.94

Note No. 16: Trade Payables

Particulars	As at	
	March 31, 2023	March 31, 2022
Total outstanding dues of micro and small enterprises (MSME) (Refer Note No. 29.2)	24.53	11.48
Total outstanding dues of creditors other than micro and small enterprises - related parties (Refer Note No. 29.8)	9.95	7.18
Total outstanding dues of creditors other than micro and small enterprises - others	272.80	98.04
Total trade payables	307.28	116.70

Ageing as at March 31, 2023

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	15.39	7.09	-	-	-	22.48
(ii) Others	23.32	211.78	35.70	0.30	2.24	9.41	282.75
(iii) Disputed dues – MSME	-	-	-	0.09	0.28	1.68	2.05
(iv) Disputed dues - other creditors	-	-	-	-	-	-	-
Total	23.32	227.17	42.79	0.39	2.52	11.09	307.28

Ageing as at March 31, 2022

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	9.43	-	-	-	-	9.43
(ii) Others	19.92	64.01	9.64	2.24	0.12	9.29	105.22
(iii) Disputed dues – MSME	-	-	0.09	0.28	0.98	0.70	2.05
(iv) Disputed dues - other creditors	-	-	-	-	-	-	-
Total	19.92	73.44	9.73	2.52	1.10	9.99	116.70

Note No. 17: Other Financial Liabilities

Particulars	As at	
	March 31, 2023	March 31, 2022
Current		
Due to employees	43.67	15.55
Capital Creditors	17.57	4.59
Unpaid dividend	0.03	0.03
Other liabilities	0.15	0.14
Total current	61.42	20.31

Note No. 18: Other Current Liabilities

Particulars	As at	
	March 31, 2023	March 31, 2022
Advances received from customers	4.11	6.60
Deferred revenue	4.80	3.30
Statutory dues	10.24	8.33
Total other current liabilities	19.15	18.23

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

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

Note No. 19: Revenue from Operations

Particulars	Year ended March 31,	
	2023	2022
Revenue from contract with customers (Refer Note No. 29.4)		
Sale of goods		
Manufactured goods - Telecom and Data Networking related products	802.12	468.30
Traded goods	3.34	10.14
	805.46	478.44
Rendering of services - related to selling/support of our products		
Installation and commissioning revenue	8.41	16.97
Annual maintenance revenue	52.31	48.71
Other service revenue	2.90	5.02
	63.62	70.70
Total revenue from operations	869.08	549.14

Note No. 20: Other Income

Particulars	Year ended March 31,	
	2023	2022
Interest income from banks on deposits	54.40	24.11
Gain on current investments carried at fair value through statement of profit and loss	0.63	0.48
Gain on sale of current investments carried at fair value through statement of profit and loss	18.83	8.57
Unwinding of discount on fair valuation of financials assets	0.27	0.16
Net gain on foreign currency transactions and translation	-	3.15
Export Incentive	1.97	2.54
Other non-operating income		
Bad debts recovered	-	0.99
Profit on sale of property, plant and equipment	0.01	0.01
Interest on income tax refunds	2.91	2.49
Miscellaneous income	0.12	0.75
Total other income	79.14	43.25

Note No. 21A: Cost of Materials Consumed

Particulars	Year ended March 31,	
	2023	2022
Opening stock	274.37	213.65
Add: Purchases	878.13	351.46
	1,152.50	565.11
Less: Closing stock	622.58	274.37
Cost of materials consumed*	529.92	290.74

*including write down of inventories.

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

Particulars	Year ended March 31,	
	2023	2022
Opening stock - stock in trade	3.65	-
Closing stock - stock in trade	5.49	3.65
Changes in inventories of stock in trade	(1.84)	(3.65)

Note No. 21C: Purchase of stock in trade

Purchase of stock in trade	31.82	23.69
Purchase of stock in trade includes Rs. 26.85 (March 31, 2022 Rs. 7.85) pertaining to goods procured for sales to customers as a part of manufacturing sales.		

Note No. 22: Employee benefit expenses

Particulars	Year ended March 31,	
	2023	2022
Salaries and wages, including performance incentives	271.88	175.21
Contribution to provident and pension funds [Refer (i) below]	12.06	8.30
Gratuity expenses [Refer (iii) below]	3.63	2.51
Employee share based payment expenses (net) [Refer Note No. 30 (viii)]	29.45	11.20
Staff welfare expenses	5.47	6.92
	322.49	204.14
Less: Capitalized during the period [Refer Note No. 4(b)]	150.33	79.63
Total employee benefit expenses	172.16	124.51

Note No. 22: Employee Benefit Expenses (Contd)

Employee benefit plans

(i) Defined contribution plan

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

Particulars	Year Ended March 31,	
	2023	2022
Provident Fund Contributions	10.98	7.40
Employee Pension Scheme	1.08	0.90
Total	12.06	8.30

(ii) Compensated absence

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

The amount of the provision of Rs. 7.77 (March 31, 2022 – Rs. 5.21) is presented as current, since the Company does not have an unconditional right to defer settlement for a period beyond 12 months. However, based on past experience, the Company does not expect all the employees to avail leave accrued to their credit or require payment within the next 12 months.

Particulars	As at	
	March 31, 2023	March 31, 2022
Leave obligation not expected to be settled within the next 12 months	6.52	4.07

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

Particulars	Year Ended March 31,	
	2023	2022
Compensated absence expense included in salaries and wages	2.19	1.10
Actuarial assumptions for long-term compensated absences		
Discount rate	7.66%	7.49%
Salary escalation	6.50%	6.50%
Attrition	7.00%	7.00%

(iii) Defined Benefit Plans

(a) Gratuity

The Company 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 Company makes contributions to recognised insurer managed funds in India.

Particulars	Year Ended March 31,	
	2023	2022
Actuarial assumptions for defined benefit plan		
Discount rate	7.66%	7.49%
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, 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 under employee benefit expenses	3.92	(1.62)	2.30
<i>Remeasurements</i>			
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)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2022	23.55	(23.78)	(0.23)
Current service cost	4.00	-	4.00
Interest expense/(income)	1.68	(2.05)	(0.37)
Total amount recognised under employee benefit expenses	5.68	(2.05)	3.63
<i>Remeasurements</i>			
Actuarial (Gain) / Losses due to Demographic Assumption changes on DBO	-	-	-
Actuarial (Gain) / Losses due to Financial Assumption changes on DBO	(0.50)	-	(0.50)
Actuarial (Gain)/ Losses due to experience adjustments on DBO	2.27	-	2.27
Return on Plan Assets (Greater) / Lesser than Discount rate	-	1.15	1.15
Total amount recognised in other comprehensive income	1.77	1.15	2.92
Employer contributions/premiums paid	-	(6.62)	(6.62)
Cost of acquisitions	2.70	(2.70)	-
Benefit payments	(2.13)	2.13	-
As at March 31, 2023 (Refer Note No. 10)	31.57	(31.87)	(0.30)

b) Sensitivity Analysis

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

Particulars	Year Ended March 31,	
	2023	2022
Discount Rate		
Increase by 100 basis points	(9.15%)	(8.46%)
Decrease by 100 basis points	10.73%	9.85%
Salary Growth Rate		
Increase by 100 basis points	10.69%	9.74%
Decrease by 100 basis points	(9.26%)	(8.50%)
Attrition Rate		
Increase by 100 basis points	0.18%	0.02%
Decrease by 100 basis points	(0.23%)	(0.02%)
Mortality Rate		
Increase by 100 basis points	(0.00%)	(0.00%)
Decrease by 100 basis points	0.00%	0.00%

The above sensitivity analysis 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, 2023	March 31, 2022
Insurer managed funds	100%	100%

c) Risk Exposure

- 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.
- Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.
- Demographic risks: This is the risk in volatility of 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.
- 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, 2024 are Rs. 4.76.

The weighted average duration of the defined benefit obligation is 14.04 years (March 31, 2022: 12.24 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31,	
	March 31, 2023	March 31, 2022
Year 1	2.06	1.39
Year 2	2.22	1.67
Year 3	2.71	1.99
Year 4	1.25	2.41
Year 5	1.50	1.00
Year 6-10	11.45	9.38
Year 10 and above	61.24	38.06

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

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

Note No. 23A: Finance cost

Particulars	Year ended March 31,	
	2023	2022
Interest expense		
(i) Unwinding of discount on fair valuation of financial liabilities	4.36	2.10
(ii) Unwinding of discount on fair valuation of warranty	0.16	0.11
Other finance cost	0.68	0.82
Total finance cost	5.20	3.03

Note No. 23B: Allowance for expected credit loss

Particulars	Year ended March 31,	
	2023	2022
Allowance for expected credit loss (Refer Note No. 27(A)(i))	(33.32)	87.91
Total Allowance for expected credit loss	(33.32)	87.91

Note No. 24: Other Expenses

Particulars	Year ended March 31,	
	2023	2022
Installation, commissioning and maintenance expenses	11.52	12.47
Other processing charges	0.08	1.19
Power and fuel	5.53	5.09
Housekeeping and security	3.68	2.55
Lease rentals	2.44	1.65
Repairs and maintenance - machinery	0.36	0.43
Repairs and maintenance - others	3.84	2.73
Sub-contractor charges	13.75	10.19
Cost of technical services	17.07	8.78
Insurance	1.32	1.28
Rates and taxes	2.72	5.58
Communication	1.09	0.92
Royalty	0.03	0.16
Travelling and conveyance	8.99	3.70
Printing and stationery	0.29	0.18
Freight and forwarding	3.77	10.24
Sales expenses	0.24	-
Sales commission	3.89	6.68
Business promotion	2.73	0.83
Director sitting fees (Refer Note No. 29.8)	0.26	0.28
Director commission (Refer Note No. 29.8)	0.48	0.48
Legal and professional	8.08	5.57
Auditors remuneration and out-of-pocket expenses		
Audit Fee (including fees for limited reviews)	0.59	0.53
Tax Audit Fee	0.03	0.03
Certification matters	0.03	0.09
Other audit related services	0.20	-
Auditors out-of-pocket expenses	0.09	0.01
Net loss on foreign currency transactions and translation	2.85	-
Warranty	8.93	3.76
Expenditure on corporate social responsibility (Refer Note No. 33)	-	0.46
Reimbursement of expenses to subsidiary (Refer Note No. 29.8)	21.56	17.66
Subscription and Membership	5.50	1.44
Miscellaneous expenses	4.98	2.57
Total other expenses	136.92	107.53
Less: Capitalized during the year [Refer Note No. 4(b)]	9.06	-
Total other expenses	127.86	107.53

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

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

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

Note No. 25: Income Tax Expense

Particulars	Year ended March 31,	
	2023	2022
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	8.25	(54.61)
Total deferred tax (benefit)/expense	8.25	(54.61)
Total Income tax expense/(benefit)	8.25	(54.42)

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

Particulars	Year ended March 31,	
	2023	2022
Profit/(Loss) before income tax expense	11.29	(118.15)
Tax expense /(credit) determined based on the statutory tax rate [i.e.34.944% (March 31, 2022: 34.944%)]	3.95	(41.29)
Reconciling items:		
Expenses disallowed for tax purposes	0.38	1.87
Mark-to-market loss/(gain) on mutual fund investments not considered for tax purposes	-	(0.13)
Adjustments for tax of prior periods	-	0.19
Previously unrecognised DTA created during the current year	4.96	(14.37)
Remeasurement gains/(losses) recognised in OCI	(1.04)	-
Others	-	(0.69)
Total Income tax expense/(benefit)	8.25	(54.42)

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

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

Note No. 26: Fair Value Measurement**(i) Financial instruments by category**

	Level	March 31, 2023		March 31, 2022	
		FVPL	Amortized cost	FVPL	Amortized cost
Financial assets					
Investments					
- Mutual Funds	1	262.24	-	401.78	-
- Others (Refer Note No. 36)	3	0.00	-	0.00	-
Trade receivables	3	-	481.28	-	282.58
Cash and cash equivalents		-	78.98	-	45.50
Bank balances other than cash and cash equivalents		-	652.06	-	299.68
Other financial assets					
- Deposits with remaining maturity of more than twelve months		-	-	-	0.22
- Deposits with original maturity of more than twelve months but remaining maturity of less than twelve months		-	-	-	1.15
- Deposits with financial institutions		-	300.00	-	351.79
- Security deposits		-	6.11	-	6.06
- Interest accrued but not due	3	-	3.98	-	0.96
- Other Receivables	3	-	60.36	-	8.05
- Foreign Exchange Forward Contracts	2	0.02	-	0.60	-
Total Financial Assets		262.26	1,582.77	402.38	995.99
Financial liabilities					
Lease liabilities	3	-	48.23	-	19.76
Trade payables	3	-	307.28	-	116.70
Other financial liabilities					
- Capital Creditors		-	17.57	-	4.59
- Due to employees		-	43.67	-	15.55
- Unpaid dividend		-	0.03	-	0.03
- Other liabilities		-	0.15	-	0.14
Total Financial liabilities		-	416.93	-	156.77

Tejas Networks Limited

Notes to the standalone financial statements for the year ended March 31, 2023

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

(ii) Fair value hierarchy

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

(iii) Valuation Technique

- The fair values of security deposits 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.

(iv) Valuation Process

The finance department of the Company 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 are discount rates using a long term bank deposit rate to calculate 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.

(v) Fair value of financial assets and liabilities measured at amortised 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 Company's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk and market risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company'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 Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

(i) Loss allowance as at March 31, 2023 and March 31, 2022 was determined as follows for trade receivables under the simplified approach

As at March 31, 2023	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Gross carrying amount - trade receivables	358.88	88.76	27.47	41.49	31.23	27.51	575.34
Expected loss rate	1%	6%	20%	54%	98%	98%	
Expected credit losses - trade receivables	3.51	5.22	5.58	22.34	30.50	26.91	94.06
Carrying amount of trade receivables (net of ECL)	355.37	83.54	21.89	19.15	0.73	0.60	481.28

As at March 31, 2022	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Gross carrying amount - trade receivables	171.06	75.88	46.23	59.10	34.70	22.99	409.96
Expected loss rate	1%	6%	34%	83%	96%	99%	
Expected credit losses - trade receivables	1.84	4.53	15.75	49.31	33.22	22.73	127.38
Carrying amount of trade receivables (net of ECL)	169.22	71.35	30.48	9.79	1.48	0.26	282.58

(ii) Reconciliation of expected credit loss for trade receivables under simplified approach

Loss allowance as on April 01, 2021	(39.47)
Changes in loss allowance	(87.91)
Loss allowance as on April 01, 2022	(127.38)
Changes in loss allowance	33.32
Loss allowance as on March 31, 2023 (Refer Note No. 6 & 23B)	(94.06)

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

The Company is also exposed to credit risk in respect of cash and cash equivalents, deposits with banks and financial institutions and investment in mutual funds. As a policy, the Company places its cash and cash equivalents and deposits with well established banks and financial institutions.

Management has evaluated and determined expected credit loss for cash and cash equivalents, deposits with banks, inter-corporate deposits places with financial institurions, security deposits and other financial assets to be immaterial.

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

Particulars	Impact on profit/(loss) after tax	
	March 31, 2023	March 31, 2022
Increase in credit loss rate by 10%	(2.12)	(2.16)
Decrease in credit loss rate by 10%	2.91	1.83

B. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company'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 Company's credit rating and impair investor confidence. Management monitors rolling forecasts of the Company'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 Company's liquid assets at the end of the reporting period:

Particulars	As at	
	March 31, 2023	March 31, 2022
Cash and cash equivalents	78.98	45.50
Other bank balances - deposits with maturity more than 3 months but less than 12 months and margin money	652.06	299.68
Deposits with financial institutions	300.00	351.79
Deposits with remaining maturity more than 12 months	-	0.22
Deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	-	1.15
Current investments - mutual funds	262.24	401.78
	1,293.28	1,100.12
Less: Non current deposits and balances held as margin money or security against fund and non-fund based banking arrangements	1.89	3.10
Total liquid assets	1,291.39	1,097.02

(ii) Financing arrangements

The Company had access to the following undrawn facilities at the end of the reporting period:

Particulars	As at	
	March 31, 2023	March 31, 2022
Rupee		
Fund/ Non Fund based (Refer Note No. 31)	98.03	109.73

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 lease liabilities) as the impact of discounting is not significant.

Contractual maturities of financial liabilities - March 31, 2023	Less than 6 months	6 months to 1 year	Between 1 and 2 years	More than 2 years	Total
Non-Derivatives					
Trade payables	307.28	-	-	-	307.28
Due to employees	43.67	-	-	-	43.67
Capital Creditors	17.57	-	-	-	17.57
Lease Liabilities	4.71	4.13	7.66	55.54	72.04
Unpaid dividend	0.03	-	-	-	0.03
Other liabilities	0.15	-	-	-	0.15
	373.41	4.13	7.66	55.54	440.74
Contractual maturities of financial liabilities - March 31, 2022					
Non-Derivatives					
Trade payables	116.70	-	-	-	116.70
Due to employees	15.55	-	-	-	15.55
Capital Creditors	4.59	-	-	-	4.59
Lease Liabilities	4.57	4.69	4.36	10.31	23.93
Unpaid dividend	0.03	-	-	-	0.03
Other liabilities	0.14	-	-	-	0.14
	141.58	4.69	4.36	10.31	160.94

(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, 2023 the trade receivable does not include receivables amounting to Rs. 2.59 (March 31, 2022: Rs. 24.60) 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 Company 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 company has a partial natural hedge between export receivables and import payables. Further, during the current year, the Company has entered into forward exchange contracts on export receivables to mitigate the risk of fluctuations in foreign currency rates. The results of the Company's operations are subject to the effects of changes in foreign exchange rates.

(i) The Company's exposure to foreign currency risk as at the year end expressed in Rupees crore are as follows:

	March 31, 2023			March 31, 2022		
	USD	MYR*	Others	USD	MYR*	Others
Assets						
Trade receivables	116.86	17.38	0.06	122.88	14.53	0.20
Balance in EEFC account	20.67	-	-	15.30	-	-
Balance with banks outside india	0.89	-	0.47	1.07	-	0.33
Exposure to foreign currency risk (assets)	138.42	17.38	0.53	139.25	14.53	0.53
Liabilities						
Trade payables	139.65	0.23	0.20	54.79	0.10	0.01
Exposure to foreign currency risk (liabilities)	139.65	0.23	0.20	54.79	0.10	0.01
Net exposure to foreign currency risk	(1.23)	17.15	0.33	84.46	14.43	0.52

(ii) The Company's exposure to foreign currency risk hedged as at the year end expressed in Rupees crore are as follows:

	March 31, 2023			March 31, 2022		
	USD	MYR*	Others	USD	MYR*	Others
Assets						
Trade receivables						
- Hedged naturally	24.36	0.23	0.06	54.79	0.10	0.01
- Hedged through forward	-	-	-	57.31	-	-
Balance in EEFC account	-	-	-	-	-	-
Balance with banks outside india	-	-	0.01	-	-	-
Exposure to foreign currency risk (assets)	24.36	0.23	0.07	112.10	0.10	0.01
Liabilities						
Trade payables						
- Hedged naturally	24.36	0.23	0.07	54.79	0.10	0.01
- Hedged through forward	115.29	-	-	-	-	-
Exposure to foreign currency risk (liabilities)	139.65	0.23	0.07	54.79	0.10	0.01

(iii) The Company's exposure to foreign currency risk unhedged as at the year end expressed in Rupees crore are as follows:

	March 31, 2023			March 31, 2022		
	USD	MYR*	Others	USD	MYR*	Others
Assets						
Trade receivables	92.50	17.15	-	10.78	14.43	0.19
Balance in EEFC account	20.67	-	-	15.30	-	-
Balance with banks outside india	0.89	-	0.46	1.07	-	0.33
Exposure to foreign currency risk (assets)	114.06	17.15	0.46	27.15	14.43	0.52
Liabilities						
Trade payables	-	-	0.13	-	-	-
Exposure to foreign currency risk (liabilities)	-	-	0.13	-	-	-
Net unhedged exposure to foreign currency risk	114.06	17.15	0.33	27.15	14.43	0.52

* MYR stands for Malaysian Ringgit.

(iv) Sensitivity

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

Particulars	Impact on profit/(loss) after tax	
	March 31, 2023	March 31, 2022
USD Sensitivity		
INR/USD - Increase by 5% (March 31, 2022 5%)*	0.05	(3.49)
INR/USD - Decrease by 5% (March 31, 2022 5%)*	(0.05)	3.49
MYR Sensitivity		
INR/MYR - Increase by 5% (March 31, 2022 5%)*	(0.71)	(0.60)
INR/MYR - Decrease by 5% (March 31, 2022 5%)*	0.71	0.60

* Holding all other variables constant.

Note No. 28: Capital Management

For the purpose of capital management, the Company 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 company.

The Company 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 company 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 company 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 company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company 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 Company'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 Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Debt equity ratio	March 31, 2023	March 31, 2022
Net Debt*	48.23	19.76
Equity	3,007.27	1,927.10
Net Debt to equity ratio (times)	0.02	0.01

*Net Debt represents the lease liabilities. The Company has no borrowings as at March 31, 2023 and March 31, 2022.

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

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

Note No. 29: Additional Information to Financial Statements

Note	Particulars	As at	
		March 31, 2023	March 31, 2022
29.1	Contingent liabilities and commitments (to the extent not provided for)		
a	Claims against the Company not acknowledged as debts		
	Disputed Central Excise Demands * (Refer Note 1 below)	46.24	46.24
	Disputed Income Tax Demands * (Refer Note 2 below)	-	-
	Disputed CST and VAT Demand *	0.51	5.55
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	38.86	4.77

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

Note 1: The Company had 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. As at March 31, 2023, the Company has paid a pre-deposit of INR 2.38 (March 31, 2022: 2.38) included under Balances with government authorities in Note 10 'Other Non-current assets'. The Company had received a demand order for Rs. 3.32 crores for FY 2010-11 to FY 2013-14 on similar matters. During the current year, the Company has filed for appeal before CESTAT for which company has paid a pre-deposit of Rs. 0.23 (March 31, 2022: Nil).

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. Subsequently, The Company received orders disallowing certain expenses resulting in reduction of brought forward/ carried forward losses for these assessment years. The Company has filed appeal against the orders disputing the disallowances. During the year 2019-20, 2020-21 and 2022-23 certain other agencies sent notices as part of their inquiries, which were duly responded / attended by the Company and its officials. The management is of the view that the outcome of these proceedings/ notices has no material adverse impact on the Company's financial statements. Pursuant to proceedings under 132 mentioned above, in March 2018, the Income Tax Department sent a show cause notice to the company under Section 276C 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. 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.

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

(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, 2023	March 31, 2022
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end ¹	24.53	11.48
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(iv) Interest paid, under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v) 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	-	-
(vi) 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	-	-
(vii) Interest accrued and remaining unpaid at the end of each accounting year	-	-
(viii) 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	-	-

¹Based 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. (Refer Note No. 16 for disputed dues to MSME).

29.3 Segment Information

(i) The Company's business activity primarily falls within a single business segment i.e. Networking 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 Company's performance as a single business segment and not at any other disaggregated level.

(ii) Geographical information

Particulars	Year Ended March 31,	
	2023	2022
I. Revenues*		
India	695.33	348.30
International [#]	173.75	200.84
	869.08	549.14

* Determined based on location of customers

[#] International includes None (March 31, 2022: Africa) which individually contribute to more than 10% of the total revenues.

Revenues of approximately Rs. 186.31 are derived from two external customers (March 31, 2022: Rs. 179.50 from two external customer) each exceeding 10% of the total revenue.

	As at	
	March 31, 2023	March 31, 2022
II Total Carrying amount of non current assets, by geographical location		
India*	355.43	177.46
International	-	-

* Includes an amount of Rs. 42.89 (March 31, 2022: 14.56) being Right of use assets pursuant to adoption of Ind AS 116.

Tejas Networks Limited

Notes to the standalone financial statements for the year ended March 31, 2023

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

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 Company 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,	
	2023	2022
India- Public Sector Undertaking	239.30	93.35
India-Private	456.03	254.95
International	173.75	200.84
	869.08	549.14

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

Particulars	Deferred Revenue	Advances received from customers
	Balance as on April 1, 2021	2.07
Less: Revenue accrued during the year	5.66	1.84
Add: Invoicing in excess of earned revenue during the year	6.89	-
Add: Advances received during the year	-	7.19
Balance as on March 31, 2022	3.30	6.60
Less: Revenue accrued during the year	5.51	8.81
Add: Invoicing in excess of earned revenue during the year	7.01	-
Add: Advances received during the year	-	6.32
Balance as on March 31, 2023	4.80	4.11

(iii) Performance obligations and remaining performance obligations

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2023, is approximately Rs. 1,882. Out of this, the Company expects to recognize revenue of around 72% 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,	
	2023	2022
Contract Price*	869.08	549.14
Less: adjustments	-	-
Revenue from operations	869.08	549.14

*Contract price factors liquidated damages and variable consideration which are as per the contractual terms with customers.

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

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

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, 2023	March 31, 2022
Right of use Assets		
Buildings	42.89	14.56
Total	42.89	14.56

Particulars	As at	
	March 31, 2023	March 31, 2022
Lease Liabilities		
Current	4.37	7.81
Non-Current	43.86	11.95
Total	48.23	19.76

Additions to right-of-use assets during the current financial year is Rs. 35.93 (March 31, 2022: 4.59).

(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,	
		2023	2022
Depreciation charge of Right of use Assets			
Buildings	4(c)	7.60	6.13
Total		7.60	6.13
Other costs			
Interest expense (included in finance costs)	23A	4.36	2.10
Expenses relating to short term leases (included in other expenses)*	24	2.44	1.65
Total		6.80	3.75

*includes maintenance expenses

The total cash outflow for leases for the year ended March 31, 2023 is Rs. 12.29 (March 31, 2022: Rs 9.99).

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 Company.

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

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

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

29.6 Earnings/(Loss) per share

Particulars	Year Ended March 31,	
	2023	2022
<u>Basic</u>		
Net profit/(loss) for the year attributable to the equity share holders	3.04	(63.73)
Weighted average number of equity shares	15,36,77,077	10,50,19,617
Par value per share (Rs.)	10	10
Earnings/(loss) per equity share - Basic (Rs.)	0.20	(6.07)
<u>Diluted</u>		
Net profit/(loss) for the year attributable to the equity share holders	3.04	(63.73)
Weighted average number of equity shares for Basic EPS	15,36,77,077	10,50,19,617
Add: Bonus element on Share Options/RSUs issued to employees*	33,80,983	-
Weighted average number of equity shares - for diluted EPS	15,70,58,060	10,50,19,617
Par value per share (Rs.)	10	10
Earnings/(loss) per equity share - diluted (Rs.)	0.19	(6.07)

* 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 year ended March 31, 2022.

29.7 Product Development Cost**Details of eligible Capital and Revenue expenditure incurred towards Research and Development as claimable under section 35 of Income Tax Act of 1961 for the year ended March 31, 2023.**

Particulars	Year Ended March 31,	
	2023	2022
Eligible capital expenditure	218.31	84.41
Eligible revenue expenditure	61.64	52.36
TOTAL	279.95	136.77

Eligible capital expenditure includes R&D manpower salaries/ wages towards product development amounting to Rs.150.33 (March 31, 2022: 79.63) and Rs. 9.06 (March 31, 2022: NIL) towards cost of technical services.

Tejas Networks Limited
Notes to the standalone financial statements for the year ended March 31, 2023

29.8 Related party transactions

(i) Details of related parties:

<u>Description of relationship</u>	
Ultimate Holding Company (w.e.f October 29, 2021)	Tata Sons Private Limited
Holding Company/ Controlling Entity (w.e.f October 29, 2021) Subsidiary	Panatone Finvest Limited
Step-down subsidiary	Tejas Communication Pte Limited, Singapore Saankhya Labs Private Limited (w.e.f July 1, 2022) Tejas Communications (Nigeria) Limited, Nigeria Saankhya Strategic Electronics Private Limited (w.e.f July 8, 2022) Saankhya US Inc., USA (w.e.f July 1, 2022)
Subsidiaries of Ultimate Holding Company (with whom the Company has transactions) (w.e.f October 29, 2021)	Tata Communications Limited Tata Consultancy Services Limited Tata Teleservices (Maharashtra) Limited Tata Teleservices Limited Tata Advanced Systems Limited Tata Communications (America) Inc., United States of America Nova Integrated Systems Limited Tata Communications Lanka Limited, Sri Lanka Tata Communications (France) SAS The Tata Power Co. Ltd. Tata AIG General Insurance Company Limited Tata Steel Limited Tata Autocomp Systems Limited The Indian Hotels Company Limited
Joint Ventures of Ultimate Holding Company (with whom the Company has transactions) (w.e.f October 29, 2021) (Other related parties)	Tata Play Broadband Private Limited
Entity where a Director is interested (with whom the Company has transactions) (Other related parties)	Clonect Solutions Private Limited (related party upto April 23, 2022) Cloudsek Information Security (related party upto April 23, 2022) Darwinbox Digital Solutions Private Limited Housing Development Finance Corporation Limited (w.e.f June 27, 2022) Mahindra & Mahindra Financial Services Limited
Post-employment benefit plan for the benefit of employees (Other related parties)	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 (resigned w.e.f April 23, 2022) Leela K Ponappa (retired w.e.f from February 16, 2023) Chandrashekar Bhaskar Bhawe P R Ramesh (appointed w.e.f June 27, 2022) Prof. Bhaskar Ramamurthi (appointed w.e.f June 27, 2022) Alice Geevarghese Vaidyan (appointed w.e.f March 29, 2023)
Non - Executive Directors & Non - Independent Director	Gururaj Deshpande (resigned w.e.f June 28, 2022) N. Ganapathy Subramaniam (appointed w.e.f January 19, 2022) Amur Swaminathan Lakshminarayanan (appointed w.e.f January 19, 2022)

Tejas Networks Limited
Notes to the standalone financial statements for the year ended March 31, 2023

(ii) Transaction with related parties during the year

Year Ended March 31, 2023					
Particulars	Holding Company/ Controlling Entity	Subsidiaries/Step-down subsidiaries	Subsidiaries of Ultimate Holding Company	Other Related Parties	Total
Revenue from operations*	-	7.79	111.04	4.80	123.63
Other Income	-	0.06	-	-	0.06
Interest on deposits with Financial Institution	-	-	-	1.86	1.86
Purchase of goods and services	-	9.95	3.67	-	13.62
Purchase of fixed assets	-	-	1.62	-	1.62
Reimbursement of expenses	-	21.56	-	-	21.56
Communication	-	-	0.16	-	0.16
Insurance Cost	-	-	0.04	-	0.04
Travel Cost	-	-	0.04	-	0.04
Professional Charges	-	-	0.10	0.20	0.30
Contribution to post employment benefit plans	-	-	-	9.32	9.32
Proceeds from Issue of Fresh Equity shares through Private Placement (Refer Note No. 12)	1,012.50	-	-	-	1,012.50
Investments in Equity Shares (Refer Note No. 5(a))	-	283.94	-	-	283.94

Year Ended March 31, 2022					
Particulars	Holding Company/ Controlling Entity	Subsidiaries/Step-down subsidiaries	Subsidiaries of Ultimate Holding Company	Other Related Parties	Total
Revenue from operations*	-	6.06	39.98	-	46.04
Purchase of goods and services	-	20.73	-	-	20.73
Reimbursement of expenses	-	17.66	-	-	17.66
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 (Refer Note No. 12)	500.00	-	-	-	500.00
Proceeds from Issue of Share Warrants (Refer Note No. 13)	337.50	-	-	-	337.50

Transactions with Key Management Personnel is as follows:

(As per the statement of Profit and Loss)

	Year Ended March 31,	
	2023	2022
Short-term employee benefits	4.49	2.66
Post-employment benefits	0.05	0.05
Employee share-based payment	4.18	2.00
Director Sitting fees	0.26	0.28
Director Commission	0.48	0.48

*Includes revenue from operations from TATA Communications Limited amounting to Rs. 86.34 (March 31, 2022 Rs. 29.10)

Tejas Networks Limited
Notes to the standalone financial statements for the year ended March 31, 2023

(iii) Balances from/to related parties are as follows:

Particulars	As at March 31, 2023				Total
	Holding Company/ Controlling Entity	Subsidiaries/Step-down subsidiaries	Subsidiaries of Ultimate Holding Company	Other Related Parties/Key Management Personnel	
Trade receivables, unbilled receivables and contract assets	-	4.07	25.65	1.08	30.80
Other financial assets	-	30.34	-	-	30.34
Other current assets	-	1.17	-	-	1.17
Trade payables	-	9.07	0.88	-	9.95
Investment	-	294.81	-	-	294.81
Short-term employee benefits payable	-	-	-	0.06	0.06
Director commission payable	-	-	-	0.48	0.48

Particulars	As at March 31, 2022				Total
	Holding Company/ Controlling Entity	Subsidiaries/Step-down subsidiaries	Subsidiaries of Ultimate Holding Company	Other Related Parties/Key Management Personnel	
Trade receivables, unbilled receivables and contract assets	-	2.05	18.31	-	20.36
Other current assets	-	2.80	-	-	2.80
Trade payables	-	5.53	1.65	-	7.18
Investment	-	10.87	-	-	10.87
Short-term employee benefits payable	-	-	-	0.07	0.07
Director commission payable	-	-	-	0.48	0.48

Additional Information:

Investment in Mutual Fund managed by Tata Asset Management Company as of March 31, 2023 is Rs. 183.19 (March 31, 2022 Rs. 347.88)

Tejas Networks Limited

Notes to the standalone financial statements for the year ended March 31, 2023

29.9 Ratios

Sl. No.	Particulars	Numerator Includes	Denominator Includes	Ratio FY 23	Ratio FY 22	% Variance	Reasons for variance in excess of 25%
1	Current Ratio	Total current assets	Total current liabilities	6.53	10.24	-36%	Current assets increased on account of higher cash and cash equivalents and inventories. However, current ratio is reduced as current liabilities increased at a higher proportion due to increase in Trade payables.
2	Debt-equity ratio	Lease Liabilities	Total equity	0.02	0.01	100%	Not applicable
3	Debt service coverage ratio	Profit/(Loss) after tax (adjusted for) Depreciation and amortization expense Allowance for expected credit loss Other non-cash items Finance costs	Debt service (lease payments for the current year)	11.05	13.75	-20%	Not applicable
4	Return on Equity Ratio	Profit/(Loss) after tax	Average equity	-	(0.04)	-100%	Though average equity is increased for FY2023, reduction in loss for the year compared to previous year resulted in the variance
5	Inventory turnover ratio	Cost of materials consumed	Average Inventories	1.24	1.26	-2%	Not applicable
6	Trade Receivables turnover ratio	Revenue from operations	Average Trade receivables	2.28	1.60	43%	Increase in revenue (especially in second half of FY23) and collection of long outstanding dues during FY2023.
7	Trade payables turnover ratio	Purchases (others) Purchases of stock in trade	Average Trade payables	4.29	3.08	39%	Increased on account of increased purchases during FY 23
8	Net capital turnover ratio	Revenue from operations	Working capital (Current assets - Current liabilities)	0.39	0.35	11%	Not applicable
9	Net (loss)/profit ratio	Profit/(Loss) after tax	Revenue from operations	-	(0.12)	-100%	Higher expected credit loss on receivables during FY 22, partially offset with lower gross margin in FY 23 resulted in lower loss in FY 23
10	Return on Capital employed	Earnings before interest and tax (EBIT)	Total equity Lease Liabilities	0.01	(0.06)	-117%	Increase in capital employed on account of increased share capital, and reduction in EBIT loss for the period
11	Return on Investment	Earnings before interest and tax (EBIT)	Average Total Assets	0.01	(0.07)	-114%	Increase in average total assets, and reduction in EBIT loss for the period

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023****29.10 Private Placement**

The Company has made a preferential allotment/ private placement of shares during the year, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised, except as described below

Nature of securities	Purpose for which funds raised	Total Amount Raised*	Amount utilized for the other purpose	Un-utilized balance as at Balance sheet date[#]	Remarks
Equity shares	To invest organically and inorganically in the research & development, sales and marketing, working capital requirements, capital expenditure, people and infrastructure and enhance its manufacturing and operational capabilities to cater to this large market opportunity, and for other general corporate purposes.	1,850.00	-	58.45	None

* Includes Rs. 837.50 raised during the year ended March 31, 2022.

[#] Unutilised as at March 31, 2022 amounted to Rs. 576.33

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

- (i) **Employees Stock Option Plan – 2014 (“ESOP Plan 2014”)** The Company pursuant to resolutions passed by the Board and the Shareholders, dated May 29, 2014 and September 24, 2014, respectively, has adopted ESOP Plan 2014. This 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. Options granted under the plan are equity settled. (Refer Note (vi)(a) below)

- (ii) **Employees Stock Option Plan – 2014-A (“ESOP Plan 2014-A”)** The Company 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. This 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. Options granted under the plan are equity settled. (Refer Note (vi)(b) below)

- (iii) **Employees Stock Option Plan – 2016 (“ ESOP Plan 2016”)** The Company pursuant to resolutions passed by the Board and the Shareholders, dated August 02, 2016 and August 29, 2016, respectively has adopted ESOP Plan 2016. This 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. Options granted under the plan are equity settled. (Refer Note (vi)(c) below)

- (iv) **Restricted Stock Unit Plan 2017 (“RSU Plan 2017”)** The Company 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. (Refer Note (vi)(d) below)

- (v) **Restricted Stock Unit Plan 2022 (“RSU Plan 2022”)** The Company pursuant to resolutions passed by the Board and the Shareholders, dated April 22, 2022 and July 26, 2022, respectively, has adopted RSU Plan 2022. Pursuant to RSU Plan 2022, restricted stock units (“RSUs”) may be granted to eligible employees (as defined in RSU Plan 2022). The aggregate number of Equity Shares, which may be issued under RSU Plan 2022, shall not exceed 50,00,000 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. (Refer Note (vi)(e) below)

As the Company has implemented RSU plan during the financial year 2017-18, the Company 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, 2022 and March 31, 2023. (Refer Note (vi)(e) below)

(vi) Summary of options under various plans:

Particulars	March 31, 2023		March 31, 2022	
	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	10,61,506	65	16,29,950
Granted during the year	-	-	-	-
Exercised during the year*	65	3,03,845	65	5,68,444
Forfeited during the year	65	8,488	65	-
Outstanding at the end of the year	65	7,49,173	65	10,61,506
Exercisable at the end of the year	65	7,49,173	65	10,61,506
Options available for grant	-	-	-	-
Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)		8.91 years		10.22 years

* The weighted average share price during the year ended March 31, 2023 was Rs. 585.52 (March 31, 2022 - Rs. 356.62)

Particulars	March 31, 2023		March 31, 2022	
	Weighted average exercise price (INR)	Number of options	Weighted average exercise price (INR)	Number of options
(b) ESOP Plan 2014-A				
Outstanding at the beginning of the year	85	9,45,728	85	12,70,132
Granted during the year	-	-	-	-
Exercised during the year*	85	3,85,137	85	3,24,404
Forfeited during the year	85	5,750	85	-
Outstanding at the end of the year	85	5,54,841	85	9,45,728
Exercisable at the end of the year	85	5,54,841	85	9,45,728
Options available for grant	-	-	-	-
Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)		3.51 years		4.43 years
* The weighted average share price during the year ended March 31, 2023 was Rs. 585.52 (March 31, 2022 - Rs. 356.62)				
(c) ESOP Plan 2016				
Outstanding at the beginning of the year	85 -110	10,84,639	85 -110	15,93,709
Granted during the year	-	-	-	-
Exercised during the year*	85 -110	3,69,834	85 -110	5,06,870
Forfeited during the year	85 -110	6,025	85 -110	2,200
Outstanding at the end of the year	85 -110	7,08,780	85 -110	10,84,639
Exercisable at the end of the year	85 -110	7,08,780	85 -110	10,84,639
Options available for grant	-	-	-	-
Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)		3.86 years		4.84 years
* The weighted average share price during the year ended March 31, 2023 was Rs. 585.52 (March 31, 2022 - Rs. 356.62)				
(d) RSU Plan 2017				
Outstanding at the beginning of the year	10	17,34,245	10	12,13,491
Granted during the year	10	1,82,700	10	10,84,290
Exercised during the year*	10	4,36,546	10	5,30,002
Forfeited during the year	10	1,18,111	10	33,534
Outstanding at the end of the year	10	13,62,288	10	17,34,245
Exercisable at the end of the year	10	5,16,972	10	3,77,533
RSU available for grant**	10	2,78,200	10	3,42,789
Weighted average remaining contractual life for RSU outstanding (comprising the vesting period and the exercise period)		4.01 years		4.50 years
* The weighted average share price during the year ended March 31, 2023 was Rs. 585.52 (March 31, 2022 - Rs. 356.62)				
** Includes 2,78,200 RSUs lapsed (March 31, 2022 - 3,42,789) which can be re-issued and will form part of RSU pool to be granted.				
(e) RSU Plan 2022				
Outstanding at the beginning of the year	10	-	-	-
Granted during the year	10	25,24,960	-	-
Exercised during the year*	10	-	-	-
Forfeited during the year	10	29,500	-	-
Outstanding at the end of the year	10	24,95,460	-	-
Exercisable at the end of the year	10	-	-	-
RSU available for grant	10	25,04,540	-	-
Weighted average remaining contractual life for RSU outstanding (comprising the vesting period and the exercise period)		5.39 years	-	-
* The weighted average share price during the year ended March 31, 2023 was Rs. 585.52 (March 31, 2022 - Nil)				

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

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

(vii) 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, 2023	March 31, 2022
In the case of ESOP Plan 2014, 2014-A & 2016 no assumptions have been provided as no shares have been granted under these plans.		
RSU Plan 2017		
Weighted Average share price on the date of grant	483.46	289.06
Exercise price	10.00	10.00
Risk Free Interest Rate	7.17% to 7.41%	6.07% to 6.60%
Expected Life	5-8 Years	5-7 Years
Exercise period from the date of vesting	4 years	4 years
Expected Annual Volatility of Shares	57% to 58%	50% to 60%
Expected Dividend Yield	0.18% to 0.23%	0.21% to 0.57%
RSU Plan 2022		
Weighted Average share price on the date of grant	611.05	-
Exercise price	10.00	-
Risk Free Interest Rate	7.24% to 7.51%	-
Expected Life	5-8 Years	-
Exercise period from the date of vesting	4 years	-
Expected Annual Volatility of Shares	57% to 58%	-
Expected Dividend Yield	0.15% to 0.21%	-

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

	March 31, 2023	March 31, 2022
Equity-settled share-based payments (Refer Note No. 13(iii))	58.72	11.20
Less: cross charged to Saankhya Labs Private Limited	29.27	-
Net Equity-settled share-based payments (Refer Note No. 22)	29.45	11.20

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

(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, 2023	March 31, 2022
(i) Financial Assets			
Trade Receivables	6	462.18	275.51
Other financial assets	8	-	0.22
Other financial assets excluding deposits with financial institutions	8	64.36	10.76
Total financial assets		526.54	286.49
(ii) Non- Financial Assets			
Other current assets	10	178.61	74.38
Inventories	11	628.07	278.02
Total non- financial assets		806.68	352.40
(iii) Total current assets pledged as security		1,333.22	638.89
(iv) Non-current assets			
Property, plant and equipment	4(a)	78.28	40.09
Trade Receivables	6	19.10	7.07
Total Non-current assets pledged as security		97.38	47.16
(v) Total assets pledged as security		1,430.60	686.05

The Company 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, avancement 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 utilised as at March 31, 2023 aggregates to Rs.109.97 (March 31, 2022: Rs. 103.27).

Tejas Networks Limited

Notes to the standalone financial statements for the year ended March 31, 2023

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

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

Particulars	Year ended March 31,	
	2023	2022
Revenue		
Product sales	802.12	468.30
Traded goods	3.34	10.14
Services	63.62	70.70
Net Revenue (A)	869.08	549.14
Cost of materials consumed (Refer Note i below)	560.01	312.13
Manufacturing Expenses	27.06	17.54
Service Expenses	54.54	46.76
Total Cost of Goods Sold (B)	641.61	376.43
Gross Profit (C) = (A) - (B)	227.47	172.71
Operating Expenses:		
Research & Development (Gross)	237.72	131.23
Less: R&D Capitalized	(159.39)	(79.63)
Research & Development (Net)	78.33	51.60
Selling, Distribution & Marketing	94.85	81.15
Allowance for expected credit loss	(33.32)	87.91
General & Administrative	42.28	33.63
Operating Expenses (Net) (D)	182.14	254.29
Profit/(loss) from operations (EBITDA)	45.33	(81.58)
(E) = (C) - (D)		
Other Income (Refer Note ii below)	79.14	40.10
Foreign exchange loss/(gain) (Refer Note iii below)	2.85	(3.15)
Finance costs	5.20	3.03
Depreciation and amortization	105.13	76.79
Profit/(loss) before tax	11.29	(118.15)
Tax expense:		
Current tax	-	0.19
Deferred tax expense/(benefit)	8.25	(54.61)
Profit/(loss) after tax	3.04	(63.73)
Other Comprehensive income/(loss)	(2.92)	(2.08)
Total comprehensive income/(loss) for the year	0.12	(65.81)
Earning/(loss) per share (Par Value Rs. 10 each)		
(a) Basic	0.20	(6.07)
(b) Diluted	0.19	(6.07)
Weighted average Basic Equity share outstanding	15,36,77,077	10,50,19,617
Weighted average Diluted Potential Equity share outstanding	15,70,58,060	10,50,19,617

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

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

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

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,	
	2023	2022
Cost of material consumed as per Schedule III (Refer Note No. 21A, 21B and 21C)	559.90	310.78
Add: Considered separately under other expenses as per Schedule III (Refer Note No. 24)		
Other Processing Charges	0.08	1.19
Royalty	0.03	0.16
Total Cost of material consumed as per function wise profit and loss	560.01	312.13

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

Particulars	Year ended March 31,	
	2023	2022
Other income as per Schedule III (Refer Note No. 20)	79.14	43.25
Less: Net gain on foreign exchange considered separately in functional wise profit and losses (Refer Note iii below)	-	(3.15)
Other income as per function wise profit and loss	79.14	40.10

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

Particulars	Year ended March 31,	
	2023	2022
Net loss/(gain) on foreign currency transactions and translation others (other than considered as finance cost) (Refer Note No. 20, Note No. 24 and Note ii above)	2.85	(3.15)
Foreign exchange loss/(gain) as per function wise profit and loss	2.85	(3.15)

Note No. 33: 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. NIL* (previous year Rs 0.46).

(b) Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

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
-	-	-	-	-

* The Company is not required nor obligated to make any contribution in respect of the Corporate Social Responsibility for the year ending March 31, 2023, in view of the average net loss before tax for the last 3 years based on the computation as per Section 135 of the Companies Act, 2013

(c) There were no ongoing CSR projects under Section 135(6) of the Act during the year.

(d) Amount spent during the year: Rs. NIL (2022: 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)

Previous year figures are in brackets

Particulars	Nature of Service	Year Ended March 31,	
		2023	2022
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
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
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
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
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
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
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.	-	0.03
Total qualifying expenditure on corporate social responsibility		-	0.46

Tejas Networks Limited
Notes to the standalone financial statements for the year ended March 31, 2023

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

Note No. 34: Interest in subsidiaries

Name of the Company	Place of Business	% of Holding and voting power either directly or indirectly through subsidiary as at	
		March 31, 2023	March 31, 2022
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%
Saankhya Labs Private Limited (majority owned subsidiary, since acquisition on July 01, 2022)	India	64.40%	0%
Saankhya Strategic Electronics Private Limited (wholly owned subsidiary of Saankhya Labs Private Limited, since acquisition on July 08, 2022)	India	64.40%	0%
Saankhya Labs Inc, USA (wholly owned subsidiary of Saankhya Labs Private Limited, since acquisition on July 01, 2022)	United States of America	64.40%	0%

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, 2023	March 31, 2022
Deposits with financial institutions				
Bajaj Finance	None	Investments in Term Deposits	300.00	306.00
HDFC Limited	None	Investments in Term Deposits	-	25.00
Mahindra & Mahindra Financial Services Limited	None	Investments in Term Deposits	-	20.79
			300.00	351.79
Investment in subsidiary				
Saankhya Labs Private Limited	Subsidiary	Investment in subsidiary	283.94	-
			283.94	-

Note No. 36: Details of amounts rounded off

(Amount in Rupees)

Particulars	As at	
	March 31, 2023	March 31, 2022
1. Investment in ELCIA ESDM Cluster (Refer Note No. 5)	11,000/-	11,000/-

Note No. 37: Additional regulatory information

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

No proceedings have been initiated on or are pending against the Company under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.

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

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

(iii) **Wilful defaulter**

The Company 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 Company 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 Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017.

(vi) **Compliance with approved scheme(s) of arrangements** - Refer Note No. 40

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

The Company 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:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The company 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 Company shall:

- 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
- 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 Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) **Valuation of property, plant and equipment, intangible asset and investment property**

The Company 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**

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.

Core investment companies (CIC)

The group (including entities part of the ultimate holding company) has five CICs which are registered with the Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India.

Tejas Networks Limited**Notes to the standalone financial statements for the year ended March 31, 2023**

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

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 2023, the Board has reviewed and decided not to recommend any dividend.

Note No. 39: Impact of COVID-19 Pandemic

The spread of COVID-19 had severely impacted businesses around the globe. As at March 31, 2023, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, Inventories and Financial assets and has concluded that no adjustments are considered necessary in these standalone financial statements, arising from COVID-19.

Note No. 40 : Business acquisition of Saankhya Labs Private Limited

a) Pursuant to a definitive agreement entered into by the Company with Saankhya Labs Private Limited (Saankhya Labs) and its shareholders on March 30, 2022, the Company acquired majority stake in Saankhya Labs Private Limited on July 1, 2022. The Company at various dates acquired 64.40% of equity shares in aggregate through secondary purchase at a price of Rs. 454.19 per equity share amounting to 283.94 crore.

On July 08, 2022, Saankhya Labs has acquired 100% Shareholding in Saankhya Strategic Electronics Private Limited (SSE) which was incorporated with the main objective to develop, maintain and service all types of communication systems, electronic products, semiconductor integrated circuits/ chips, micro controllers, digital signal processors, processing algorithms, embedded software and related hardware and software. Consequent to such acquisition SSE has become a wholly-owned subsidiary of Saankhya Labs and a step-down subsidiary of the Company with effect from July 08, 2022.

b) As per the share purchase agreement, the Company and the shareholders of Saankhya Labs Private Limited agreed to apply for merger within a period of six months from the date the definitive agreement was signed. The Board of Directors of the Company, at its meeting held on September 29, 2022, approved the Draft Scheme of Amalgamation of Saankhya Labs and SSE, with the Company and the respective stakeholders (the "Scheme"). The Company has filed the scheme with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on September 30, 2022. Upon implementation of the scheme, the shareholders holding remaining 35.60% equity shares in Saankhya Labs Private Limited will be issued 112 equity shares of the Company for every 100 equity shares held in Saankhya Labs Private Limited.

The Scheme is subject to receipt of necessary approvals from the National Company Law Tribunal (NCLT), Stock Exchanges, the Securities and Exchange Board of India (SEBI), Shareholders, Creditors and such other persons and authorities, as may be required. Till such approvals are received, Saankhya Labs and Saankhya Strategic will continue to operate as majority-owned subsidiaries of Tejas Networks Limited.

Note No. 41: Government grants

(a) The Company 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 Company as on March 31, 2023, has submitted claims aggregating to Rs. 8.98 (March 31, 2022 - Rs. 8.98) which has not been recognised in the absence of reasonable assurance that the amount will be received.

(b) The Company has received approval from the Department of Telecommunication under the Production Linked Incentive (PLI) Scheme communicated vide SIDBI's (Project Management Agency) letter dated October 31, 2022. The estimated incentive claim of Rs. 32.57 crore has not been recognised during the year ended March 31, 2023, as the Company is in the process of evaluating its entitlement of the incentive based on investments made, revenues generated and other conditions required to be met before filing its claim for the incentive.

Note No. 42: 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

N Ganapathy
Subramaniam
Non-Executive Chairman
(DIN: 07006215)

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 21, 2023

Venkatesh Gadiyar
Chief Financial Officer

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