

**Tejas Networks Limited**

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

| Consolidated Unaudited Balance Sheet as at   | Notes | September 30, 2019 | March 31, 2019  |
|--|-------|--------------------|-----------------|
| <b>ASSETS</b>  |       |                    |                 |
| <b>Non-current assets</b>  |       |                    |                 |
| Property, plant and equipment  | 4(a)  | 29.19              | 30.68           |
| Right-of-use assets  | 4(a)  | 23.94              | -               |
| Intangible assets  | 4(b)  | 63.35              | 68.44           |
| Intangible assets under development  | 4(b)  | 60.31              | 41.38           |
| Financial assets   |       |                    |                 |
| Investments  | 5(a)  | 0.00               | 0.00            |
| Trade receivables  | 6     | 41.28              | 42.81           |
| Loans  | 8     | 5.56               | 4.38            |
| Other financial assets   | 9     | 0.04               | 0.12            |
| Income Tax Asset (net)   | 10(a) | 43.70              | 36.92           |
| Deferred Tax Assets  | 10(b) | 139.64             | 138.00          |
| Other non-current assets   | 11    | 0.05               | 0.14            |
| <b>Total non - current assets</b>  |       | <b>407.06</b>      | <b>362.87</b>   |
| <b>Current assets</b>  |       |                    |                 |
| Inventories  | 12    | 258.22             | 181.39          |
| Financial assets   |       |                    |                 |
| Investments  | 5(b)  | 76.50              | 86.55           |
| Trade receivables  | 6     | 565.77             | 622.12          |
| Cash and cash equivalents  | 7(i)  | 101.44             | 16.90           |
| Bank balances other than above   | 7(ii) | 56.72              | 106.15          |
| Loans  | 8     | 1.38               | 0.95            |
| Other financial assets   | 9     | 68.96              | 180.44          |
| Other current assets   | 11    | 34.89              | 27.91           |
| <b>Total current assets</b>  |       | <b>1,163.88</b>    | <b>1,222.41</b> |
| <b>Total assets</b>  |       | <b>1,570.94</b>    | <b>1,585.28</b> |
| <b>EQUITY AND LIABILITIES</b>  |       |                    |                 |
| <b>Equity</b>  |       |                    |                 |
| Equity share capital   | 13    | 95.39              | 94.99           |
| Other equity   | 14    | 1,220.26           | 1,225.25        |
| <b>Total equity</b>  |       | <b>1,315.65</b>    | <b>1,320.24</b> |
| <b>Liabilities</b>   |       |                    |                 |
| <b>Non-current liabilities</b>   |       |                    |                 |
| Financial liabilities  |       |                    |                 |
| Borrowings   | 15    | -                  | -               |
| Lease Liabilities  | 16    | 24.89              | -               |
| Provisions   | 17    | 0.91               | 1.75            |
| <b>Total non - current liabilities</b>   |       | <b>25.80</b>       | <b>1.75</b>     |
| <b>Current liabilities</b>   |       |                    |                 |
| Financial liabilities  |       |                    |                 |
| Trade payables   | 18    |                    |                 |
| Total outstanding dues of micro enterprises and small enterprises                      |       | 25.19              | 26.83           |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |       | 131.75             | 136.70          |
| Lease Liabilities  | 16    | 5.73               | -               |
| Other financial liabilities  | 19    | 51.14              | 81.72           |
| Provisions   | 17    | 9.72               | 8.14            |
| Other current liabilities  | 20    | 5.96               | 9.90            |
| <b>Total current liabilities</b>   |       | <b>229.49</b>      | <b>263.29</b>   |
| <b>Total liabilities</b>   |       | <b>255.29</b>      | <b>265.04</b>   |
| <b>Total equity and liabilities</b>  |       | <b>1,570.94</b>    | <b>1,585.28</b> |

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

| Consolidated Unaudited Statement of Profit and Loss                       | Notes | Quarter ended      |               | Period ended       |                    |                    | Year ended     |
|---|-------|--------------------|---------------|--------------------|--------------------|--------------------|----------------|
|   |       | September 30, 2019 | June 30, 2019 | September 30, 2018 | September 30, 2019 | September 30, 2018 | March 31, 2019 |
| I Revenue from operations   | 21    | 87.42              | 161.89        | 207.03             | 249.31             | 442.86             | 900.32         |
| II Other Income   | 22    | 6.89               | 7.05          | 10.87              | 13.94              | 20.52              | 36.69          |
| <b>III Total income (I + II)</b>  |       | <b>94.31</b>       | <b>168.94</b> | <b>217.90</b>      | <b>263.25</b>      | <b>463.38</b>      | <b>937.01</b>  |
| <b>IV Expenses</b>  |       |                    |               |                    |                    |                    |                |
| Cost of materials consumed  | 23    | 35.22              | 93.82         | 111.19             | 129.04             | 222.83             | 463.70         |
| Employee benefit expense  | 24    | 22.57              | 26.46         | 29.81              | 49.03              | 62.37              | 123.66         |
| Finance costs   | 25    | 2.51               | 3.44          | 4.07               | 5.95               | 7.39               | 17.00          |
| Depreciation and amortization expense                                     | 4(c)  | 18.24              | 17.59         | 15.04              | 35.83              | 32.24              | 65.88          |
| Other expenses  | 26    | 23.24              | 17.42         | 21.40              | 40.66              | 50.52              | 116.75         |
| <b>Total expenses (IV)</b>  |       | <b>101.78</b>      | <b>158.73</b> | <b>181.51</b>      | <b>260.51</b>      | <b>375.35</b>      | <b>786.99</b>  |
| <b>V Profit/(Loss) before tax (III - IV)</b>                              |       | <b>(7.47)</b>      | <b>10.21</b>  | <b>36.39</b>       | <b>2.74</b>        | <b>88.03</b>       | <b>150.02</b>  |
| <b>VI Income tax expense</b>  | 27    |                    |               |                    |                    |                    |                |
| Current tax   |       | (1.54)             | 2.20          | 7.91               | 0.66               | 19.52              | 19.63          |
| Deferred tax expense/(benefit)  |       | (1.55)             | 2.16          | (5.00)             | 0.61               | (10.00)            | (16.85)        |
| <b>Total tax expense (VI)</b>   |       | <b>(3.09)</b>      | <b>4.36</b>   | <b>2.91</b>        | <b>1.27</b>        | <b>9.52</b>        | <b>2.78</b>    |
| <b>VII Profit/(Loss) after tax (V - VI)</b>                               |       | <b>(4.38)</b>      | <b>5.85</b>   | <b>33.48</b>       | <b>1.47</b>        | <b>78.51</b>       | <b>147.24</b>  |
| <b>VIII Other comprehensive income/(loss)</b>                             |       |                    |               |                    |                    |                    |                |
| Items that will not be reclassified to profit or loss                     |       |                    |               |                    |                    |                    |                |
| Remeasurements of the defined benefit obligation                          |       | 0.24               | (0.05)        | (0.32)             | 0.19               | (0.39)             | (2.20)         |
| Income tax relating to above  |       | (0.01)             | 0.01          | 0.06               | -                  | 0.08               | 0.48           |
| Items that will be reclassified to profit or loss                         |       |                    |               |                    |                    |                    |                |
| Exchange differences on translation of foreign operations                 |       | 0.39               | (0.03)        | 2.41               | 0.36               | 1.64               | 0.77           |
| <b>Other comprehensive income/(loss), net of tax (VIII)</b>               |       | <b>0.62</b>        | <b>(0.07)</b> | <b>2.15</b>        | <b>0.55</b>        | <b>1.33</b>        | <b>(0.95)</b>  |
| <b>IX Total comprehensive income/(loss) (VII + VIII)</b>                  |       | <b>(3.76)</b>      | <b>5.78</b>   | <b>35.63</b>       | <b>2.02</b>        | <b>79.84</b>       | <b>146.29</b>  |
| <b>X Earnings/(Loss) per equity share</b>                                 |       |                    |               |                    |                    |                    |                |
| <b>Equity shares of par value Rs. 10 each</b>                             |       |                    |               |                    |                    |                    |                |
| Basic   |       | (0.47)             | 0.64          | 3.67               | 0.16               | 8.62               | 16.13          |
| Diluted   |       | (0.47)             | 0.61          | 3.48               | 0.16               | 8.17               | 15.39          |
| Weighted average equity shares used in computing earning per equity share |       |                    |               |                    |                    |                    |                |
| Basic   |       | 9,20,06,222        | 9,18,42,866   | 9,12,68,735        | 9,19,24,991        | 9,10,87,186        | 9,13,08,108    |
| Diluted   |       | 9,20,06,222        | 9,53,29,314   | 9,62,64,598        | 9,43,51,737        | 9,60,83,049        | 9,56,67,708    |

| Consolidated Unaudited Statement of Cash Flows   | Notes | Period ended       |                              |
|--|-------|--------------------|------------------------------|
|  |       | September 30, 2019 | Year ended<br>March 31, 2019 |
| <b>Cash flows from operating activities</b>  |       |                    |                              |
| Profit before tax  |       | 2.74               | 150.02                       |
| Adjustments to reconcile net profit to net cash provided by operating activities:                        |       |                    |                              |
| Depreciation and amortization expense  | 4(c)  | 35.83              | 65.88                        |
| Provision for doubtful trade and other receivables (net)   | 26    | 3.74               | 5.24                         |
| Bad Debts written off  | 26    | -                  | 0.57                         |
| Provision for doubtful debts released  | 26    | -                  | (0.57)                       |
| Focus Product Scheme receivable written off  | 26    | -                  | 4.45                         |
| Provision for Focus Product Scheme receivable released   | 26    | -                  | (1.28)                       |
| Provision for doubtful advances  | 26    | -                  | 0.09                         |
| Interest Income  | 22    | (6.39)             | (27.74)                      |
| (Gain)/Loss on current investment carried at fair value through statement of profit and loss             | 22    | 0.18               | (0.32)                       |
| (Gain)/Loss on sale of current investment carried at fair value through statement of profit and loss     | 22    | (2.21)             | (4.15)                       |
| Finance costs recognized in profit or loss   | 25    | 5.95               | 17.00                        |
| Unrealised Exchange Difference (Net)   |       | (0.77)             | 2.08                         |
| Loss/ (profit) on sale of property, plant and equipment  | 26    | (0.02)             | 0.03                         |
| Expense recognized in respect of equity-settled share-based payments                                     | 24    | 6.83               | 15.10                        |
|  |       | 45.88              | 226.40                       |
| Movements in working capital:  |       |                    |                              |
| (Increase)/decrease in inventories   |       | (76.83)            | 9.50                         |
| (Increase)/decrease in trade receivables   |       | 55.51              | (359.47)                     |
| (Increase)/decrease in loans   |       | (1.52)             | 0.65                         |
| (Increase)/decrease in other financial assets  |       | 0.87               | (8.36)                       |
| (Increase)/decrease in other assets  |       | (6.93)             | (6.65)                       |
| Increase/(decrease) in trade and other payables  |       | (6.82)             | 57.09                        |
| Increase/(decrease) in provisions  |       | 0.71               | (0.34)                       |
| Increase/(decrease) in other financial liabilities   |       | (25.58)            | 24.09                        |
| Increase/(decrease) in other liabilities   |       | (3.93)             | (0.45)                       |
| <b>Cash generated from operations</b>  |       | <b>(18.64)</b>     | <b>(57.54)</b>               |
| Income taxes paid  |       | (7.44)             | (24.05)                      |
| <b>a) Net cash generated by/ (used in) operating activities</b>  |       | <b>(26.08)</b>     | <b>(81.59)</b>               |
| <b>Cash flows from investing activities</b>  |       |                    |                              |
| Expenditure on property, plant and equipment   |       | (9.83)             | (8.82)                       |
| Expenditure on intangible assets/including under development   |       | (40.82)            | (71.50)                      |
| Sale proceeds of property, plant and equipment   |       | 0.03               | 0.07                         |
| Investment in Deposits with banks and financial institutions not considered as cash and cash equivalents |       | (28.62)            | (636.41)                     |
| Withdrawal in Deposits with banks and financial institutions not considered as cash and cash equivalent  |       | 183.13             | 596.94                       |
| Investment in liquid mutual funds and fixed maturity plan securities                                     |       | (465.25)           | (776.34)                     |
| Redemption of liquid mutual funds and fixed maturity plan securities                                     |       | 477.33             | 770.78                       |
| Interest received  |       | 11.92              | 20.89                        |
| <b>b) Net cash (used in) investing activities</b>  |       | <b>127.89</b>      | <b>(104.39)</b>              |
| <b>Cash flows from financing activities</b>  |       |                    |                              |
| Proceeds from issue of equity instruments of the Company   |       | 2.33               | 6.77                         |
| Dividend paid (including Tax on dividend)  |       | (11.08)            | -                            |
| Repayment of borrowings  |       | -                  | (1.08)                       |
| Payment of lease liabilities   |       | (4.28)             | -                            |
| Interest paid  |       | (4.24)             | (17.00)                      |
| <b>c) Net cash generated by/ (used in) financing activities</b>  |       | <b>(17.27)</b>     | <b>(11.31)</b>               |
| <b>d) Net increase/(decrease) in cash and cash equivalents</b>   |       | <b>84.54</b>       | <b>(197.29)</b>              |
| Cash and cash equivalents at the beginning of the year   |       | 16.90              | 214.19                       |
| <b>Cash &amp; cash equivalents at the end of the year [Refer Note 7(i)]</b>                              |       | <b>101.44</b>      | <b>16.90</b>                 |

**Tejas Networks Limited**  
**Consolidated Statement of Changes in Equity**

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

**A. Equity Share Capital**

| Particulars   | Note | Amount       |
|---|------|--------------|
| <b>As at April 1, 2018*</b>   |      | <b>94.09</b> |
| Increase in equity share capital on account of exercise of ESOP and RSU | 13   | 0.90         |
| <b>As at March 31, 2019*</b>  |      | <b>94.99</b> |
| Increase in equity share capital on account of exercise of ESOP and RSU | 13   | 0.40         |
| <b>As at September 30, 2019*</b>  |      | <b>95.39</b> |

\* Includes forfeited shares of Rs. 3.27

**B. Other Equity**

| Particulars   | Note | Reserves and Surplus |                   |   | Foreign Currency Translation Reserve | Total           |
|---|------|----------------------|-------------------|---|--------------------------------------|-----------------|
|   |      | Securities premium   | Retained earnings | Employee stock compensation outstanding account |                                      |                 |
| <b>Balance as at April 1, 2018</b>                          |      | <b>922.08</b>        | <b>120.97</b>     | <b>15.14</b>                                    | <b>(0.20)</b>                        | <b>1,057.99</b> |
| Profit for the year   | 14   | -                    | 147.24            | -   | -                                    | 147.24          |
| Other comprehensive income                                  | 14   | -                    | (1.72)            | -   | 0.77                                 | (0.95)          |
| <b>Total comprehensive income for the year</b>              |      | <b>-</b>             | <b>145.52</b>     | <b>-</b>  | <b>0.77</b>                          | <b>146.29</b>   |
| <b>Transaction with owners in their capacity as owners:</b> |      |                      |                   |   |                                      |                 |
| Premium on issue on account of exercise of ESOP             | 14   | 5.87                 | -                 | -   | -                                    | 5.87            |
| Share based payment expenses                                | 24   | -                    | -                 | 15.10   | -                                    | 15.10           |
| Issue of equity shares, on exercise of ESOP/RSU             | 14   | 3.22                 | -                 | (3.22)  | -                                    | -               |
| <b>Balance as at March 31, 2019</b>                         |      | <b>931.17</b>        | <b>266.49</b>     | <b>27.02</b>                                    | <b>0.57</b>                          | <b>1,225.25</b> |
| <b>Balance as at April 1, 2019</b>                          |      | <b>931.17</b>        | <b>266.49</b>     | <b>27.02</b>                                    | <b>0.57</b>                          | <b>1,225.25</b> |
| Profit for the year   | 14   | -                    | 1.47              | -   | -                                    | 1.47            |
| Other comprehensive income                                  | 14   | -                    | 0.19              | -   | 0.36                                 | 0.55            |
| <b>Total comprehensive income for the year</b>              |      | <b>-</b>             | <b>1.66</b>       | <b>-</b>  | <b>0.36</b>                          | <b>2.02</b>     |
| <b>Transaction with owners in their capacity as owners:</b> |      |                      |                   |   |                                      |                 |
| Premium on issue on account of exercise of ESOP             | 14   | 1.93                 | -                 | -   | -                                    | 1.93            |
| Share based payment expenses                                | 24   | -                    | -                 | 6.83  | -                                    | 6.83            |
| Issue of equity shares, on exercise of ESOP/RSU             | 14   | 3.38                 | -                 | (3.38)  | -                                    | -               |
| Impact on account of adoption of Ind AS 116                 | 14   | -                    | (4.69)            | -   | -                                    | (4.69)          |
| Dividend (including Tax on dividend)                        |      | -                    | (11.08)           | -   | -                                    | (11.08)         |
| <b>Balance as at September 30, 2019</b>                     |      | <b>936.48</b>        | <b>252.38</b>     | <b>30.47</b>                                    | <b>0.93</b>                          | <b>1,220.26</b> |

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

| Particulars  | Laboratory Equipment | Networking Equipment | Electrical Installation | Furniture and Fixtures | Office Equipment | Computing Equipment | Vehicles      | Cards/Prototypes | Servers       | Total          | Right-of-use asset* |
|--|----------------------|----------------------|-------------------------|------------------------|------------------|---------------------|---------------|------------------|---------------|----------------|---------------------|
| <b>Gross carrying value as of April 1, 2018</b>          | <b>16.81</b>         | <b>0.52</b>          | <b>6.29</b>             | <b>5.54</b>            | <b>0.73</b>      | <b>4.60</b>         | <b>0.23</b>   | <b>19.48</b>     | <b>1.20</b>   | <b>55.40</b>   | -                   |
| Additions  | 3.96                 | 0.14                 | 0.41                    | 2.86                   | 0.21             | 1.68                | -             | 2.54             | 1.60          | 13.40          | -                   |
| Deletions  | -                    | -                    | 0.38                    | 0.31                   | 0.04             | 0.02                | 0.09          | -                | -             | 0.84           | -                   |
| <b>Gross carrying value as of March 31, 2019</b>         | <b>20.77</b>         | <b>0.66</b>          | <b>6.32</b>             | <b>8.09</b>            | <b>0.90</b>      | <b>6.26</b>         | <b>0.14</b>   | <b>22.02</b>     | <b>2.80</b>   | <b>67.96</b>   | -                   |
| <b>Accumulated depreciation as of April 1, 2018</b>      | <b>(2.56)</b>        | <b>(0.26)</b>        | <b>(1.61)</b>           | <b>(2.18)</b>          | <b>(0.34)</b>    | <b>(1.86)</b>       | <b>(0.03)</b> | <b>(10.29)</b>   | <b>(0.29)</b> | <b>(19.42)</b> | -                   |
| Depreciation for the year                                | (6.25)               | (0.21)               | (3.64)                  | (2.78)                 | (0.21)           | (1.71)              | (0.07)        | (3.31)           | (0.42)        | (18.60)        | -                   |
| Accumulated depreciation on deletions                    | -                    | -                    | (0.34)                  | (0.26)                 | (0.04)           | (0.01)              | (0.09)        | -                | -             | (0.74)         | -                   |
| <b>Accumulated depreciation as of March 31, 2019</b>     | <b>(8.81)</b>        | <b>(0.47)</b>        | <b>(4.91)</b>           | <b>(4.70)</b>          | <b>(0.51)</b>    | <b>(3.56)</b>       | <b>(0.01)</b> | <b>(13.60)</b>   | <b>(0.71)</b> | <b>(37.28)</b> | -                   |
| <b>Carrying value as of March 31, 2019</b>               | <b>11.96</b>         | <b>0.19</b>          | <b>1.41</b>             | <b>3.39</b>            | <b>0.39</b>      | <b>2.70</b>         | <b>0.13</b>   | <b>8.42</b>      | <b>2.09</b>   | <b>30.68</b>   | -                   |
| <b>Gross carrying value as of April 1, 2019</b>          | <b>20.77</b>         | <b>0.66</b>          | <b>6.32</b>             | <b>8.09</b>            | <b>0.90</b>      | <b>6.26</b>         | <b>0.14</b>   | <b>22.02</b>     | <b>2.80</b>   | <b>67.96</b>   | -                   |
| Additions  | 1.10                 | 0.15                 | 0.33                    | 1.08                   | 0.42             | 0.89                | -             | -                | 0.80          | 4.77           | 26.53               |
| Deletions  | -                    | -                    | 0.01                    | 0.01                   | -                | -                   | -             | -                | -             | 0.02           | -                   |
| <b>Gross carrying value as of September 30, 2019</b>     | <b>21.87</b>         | <b>0.81</b>          | <b>6.64</b>             | <b>9.16</b>            | <b>1.32</b>      | <b>7.15</b>         | <b>0.14</b>   | <b>22.02</b>     | <b>3.60</b>   | <b>72.71</b>   | <b>26.53</b>        |
| <b>Accumulated depreciation as of April 1, 2019</b>      | <b>(8.81)</b>        | <b>(0.47)</b>        | <b>(4.91)</b>           | <b>(4.70)</b>          | <b>(0.51)</b>    | <b>(3.56)</b>       | <b>(0.01)</b> | <b>(13.60)</b>   | <b>(0.71)</b> | <b>(37.28)</b> | -                   |
| Depreciation for the year                                | (2.24)               | (0.05)               | (0.27)                  | (0.51)                 | (0.09)           | (0.88)              | (0.02)        | (1.89)           | (0.31)        | (6.26)         | (2.59)              |
| Accumulated depreciation on deletions                    | -                    | -                    | (0.01)                  | (0.01)                 | -                | -                   | -             | -                | -             | (0.02)         | -                   |
| <b>Accumulated depreciation as of September 30, 2019</b> | <b>(11.05)</b>       | <b>(0.52)</b>        | <b>(5.17)</b>           | <b>(5.20)</b>          | <b>(0.60)</b>    | <b>(4.44)</b>       | <b>(0.03)</b> | <b>(15.49)</b>   | <b>(1.02)</b> | <b>(43.52)</b> | <b>(2.59)</b>       |
| <b>Carrying value as of September 30, 2019</b>           | <b>10.82</b>         | <b>0.29</b>          | <b>1.47</b>             | <b>3.96</b>            | <b>0.72</b>      | <b>2.71</b>         | <b>0.11</b>   | <b>6.53</b>      | <b>2.58</b>   | <b>29.19</b>   | <b>23.94</b>        |

\* Right-of-use asset pertains to buildings on account of adoption of Ind AS 116 effective April 01, 2019.

**Tejas Networks Limited**

**Notes to the unaudited consolidated financial statements for the period ended September 30, 2019**

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

**Note No. 4(b): Intangible Assets**

| Particulars  | Computer Software | Product Development | Total           | Intangible Assets under development <sup>1</sup> |
|--|-------------------|---------------------|-----------------|--|
| <b>Gross carrying value as of April 1, 2018</b>          | <b>7.81</b>       | <b>129.14</b>       | <b>136.95</b>   | <b>46.85</b>                                     |
| Additions  | 6.58              | 70.39               | 76.97           | 64.92  |
| Deletions/Transfers                                      | -                 | -                   | -               | 70.39  |
| <b>Gross carrying value as of March 31, 2019</b>         | <b>14.39</b>      | <b>199.53</b>       | <b>213.92</b>   | <b>41.38</b>                                     |
| <b>Accumulated amortization as of April 1,2018</b>       | <b>(5.19)</b>     | <b>(93.01)</b>      | <b>(98.20)</b>  | -  |
| Amortization expenses for the year                       | (6.06)            | (41.22)             | (47.28)         | -  |
| <b>Accumulated amortization as of March 31, 2019</b>     | <b>(11.25)</b>    | <b>(134.23)</b>     | <b>(145.48)</b> | -  |
| <b>Carrying value as of March 31, 2019</b>               | <b>3.14</b>       | <b>65.30</b>        | <b>68.44</b>    | <b>41.38</b>                                     |
| <b>Gross carrying value as of April 1, 2019</b>          | <b>14.39</b>      | <b>199.53</b>       | <b>213.92</b>   | <b>41.38</b>                                     |
| Additions  | 3.99              | 17.90               | 21.89           | 36.83  |
| Deletions/Transfers                                      | -                 | -                   | -               | 17.90  |
| <b>Gross carrying value as of September 30, 2019</b>     | <b>18.38</b>      | <b>217.43</b>       | <b>235.81</b>   | <b>60.31</b>                                     |
| <b>Accumulated amortization as of April 1,2019</b>       | <b>(11.25)</b>    | <b>(134.23)</b>     | <b>(145.48)</b> | -  |
| Amortization expenses for the year                       | (3.56)            | (23.42)             | (26.98)         | -  |
| <b>Accumulated amortization as of September 30, 2019</b> | <b>(14.81)</b>    | <b>(157.65)</b>     | <b>(172.46)</b> | -  |
| <b>Carrying value as of September 30, 2019</b>           | <b>3.57</b>       | <b>59.78</b>        | <b>63.35</b>    | <b>60.31</b>                                     |

<sup>1</sup> Additions to Intangible Assets under development pertains to capitalization of employee benefit expense and other expenses (Refer Note 24 and Note 26).

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

| Particulars   | Period ended       | Year ended     |
|---|--------------------|----------------|
|   | September 30, 2019 | March 31, 2019 |
| Depreciation on property, plant and equipment [Refer Note 4(a)] | 8.85               | 18.60          |
| Amortization of intangible assets [Refer Note 4(b)]             | 26.98              | 47.28          |
| <b>Total depreciation and amortization expenses</b>             | <b>35.83</b>       | <b>65.88</b>   |

Tejas Networks Limited

Notes to the unaudited consolidated financial statements for the period ended September 30, 2019

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

**Note No. 5: Investments**

| Particulars   | As at                  |               |                        |               |
|---|------------------------|---------------|------------------------|---------------|
|   | September 30, 2019     |               | March 31, 2019         |               |
| <b>5(a) Non-Current investments (Quoted) {FVTPL}</b>            |                        |               |                        |               |
| <b>Equity instruments</b>                                       |                        |               |                        |               |
| <i>Investment in ELCIA ESDM Cluster ( No. of shares 1100)</i>   |                        | 0.00          |                        | 0.00          |
| <b>Total Non-Current investments</b>                            |                        | <b>0.00</b>   |                        | <b>0.00</b>   |
| <b>5(b) Current investments (Quoted) {FVTPL}</b>                |                        |               |                        |               |
| <b>Investment in Mutual funds</b>                               | <b>Number of units</b> | <b>Amount</b> | <b>Number of units</b> | <b>Amount</b> |
| Aditya Birla Sun Life Savings Fund - Growth Direct Plan         | 9,87,108               | 30.68         | -                      | -             |
| Axis liquid fund Direct Growth - CFDG                           | 1,30,700               | 28.01         | 76,780                 | 15.92         |
| ICICI Prudential Liquid Fund Direct Plan Growth                 | -                      | -             | 9,31,076               | 25.74         |
| Reliance Liquid Fund Direct Plan Growth Plan-Growth Option-LFAG | -                      | -             | 76,779                 | 35.02         |
| Tata Liquid Fund Direct Plan Growth                             | 58,508                 | 17.81         | 33,526                 | 9.87          |
| <b>Total current investments</b>                                |                        | <b>76.50</b>  |                        | <b>86.55</b>  |

**Tejas Networks Limited**

**Notes to the unaudited consolidated financial statements for the period ended September 30, 2019**

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

**Note No. 6: Trade Receivables**

| Particulars  | As at              |                |
|--|--------------------|----------------|
|  | September 30, 2019 | March 31, 2019 |
| <b>Non-Current</b>   |                    |                |
| Trade receivables considered good - secured                      | -                  | -              |
| Trade receivables considered good - unsecured                    | 41.28              | 42.81          |
| Trade receivables which have significant increase in credit risk | -                  | -              |
| Trade receivables - credit impaired                              | -                  | -              |
| <b>Total non current</b>   | <b>41.28</b>       | <b>42.81</b>   |
| <b>Current</b>   |                    |                |
| Trade receivables considered good - secured                      | -                  | -              |
| Trade receivables considered good - unsecured                    | 584.73             | 637.22         |
| Receivables from related parties considered good - unsecured     | -                  | -              |
| Less: Loss allowance as per Expected Credit Loss model           | (18.96)            | (15.10)        |
| Trade receivables which have significant increase in credit risk | -                  | -              |
| Trade receivables - credit impaired                              | -                  | -              |
| <b>Total current</b>   | <b>565.77</b>      | <b>622.12</b>  |

**Note No. 7: Cash and Bank Balances**

| Particulars   | As at              |                |
|---|--------------------|----------------|
|   | September 30, 2019 | March 31, 2019 |
| <b>(i) Cash and Cash Equivalents</b>  |                    |                |
| <i>(a) Balances with banks</i>  |                    |                |
| (i) In current accounts*  | 26.40              | 8.74           |
| (ii) In EEFC accounts   | 19.60              | 8.16           |
| <i>(b) Deposits with original maturity of less than three months</i>                  | 55.44              | -              |
| <b>Total cash and cash equivalents</b>  | <b>101.44</b>      | <b>16.90</b>   |
| <b>(ii) Other Bank Balances</b>   |                    |                |
| Deposits with original maturity of more than three months but less than twelve months | 56.70              | 106.11         |
| Balances held as margin money or security against borrowings or guarantees            | 0.02               | 0.04           |
| <b>Total other bank balances</b>  | <b>56.72</b>       | <b>106.15</b>  |

\* includes Rs. 0.31 (March 31, 2019 - Rs. 0.31) which is subject to repatriation restriction.



**Tejas Networks Limited**

**Notes to the unaudited consolidated financial statements for the period ended September 30, 2019**

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

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

| Particulars   | As at              |                |
|---|--------------------|----------------|
|   | September 30, 2019 | March 31, 2019 |
| <b>a) Current Accounts</b>  |                    |                |
| Axis Bank   | 0.06               | -              |
| Citibank  | 0.02               | -              |
| Citibank, Dubai   | 0.09               | 0.38           |
| Fleet Bank, USA   | 0.27               | 0.23           |
| HDFC Bank   | 0.01               | 1.61           |
| HSBC Bank   | -                  | 0.01           |
| HSBC Bank, Bangladesh   | 0.31               | 0.31           |
| HSBC Bank, Singapore  | 0.13               | 0.17           |
| Indian Bank   | -                  | 0.01           |
| Kotak Mahindra Bank   | 0.09               | 2.32           |
| RBL Bank  | -                  | 0.05           |
| Standard Chartered Bank   | 24.26              | 2.80           |
| Standard Chartered Bank, Nairobi  | 0.06               | 0.10           |
| Standard Chartered Bank, Singapore  | 0.76               | 0.30           |
| Standard Chartered Bank, Kuala Lumpur   | 0.07               | 0.02           |
| State Bank of India   | 0.27               | 0.43           |
|   | <b>26.40</b>       | <b>8.74</b>    |
| <b>b) EEFC Accounts</b>   |                    |                |
| Axis Bank   | -                  | 6.14           |
| Citibank  | 8.25               | 0.27           |
| Standard Chartered Bank   | 11.35              | 1.75           |
|   | <b>19.60</b>       | <b>8.16</b>    |
| <b>c) Deposits with original maturity of less than three months</b>   |                    |                |
| RBL Bank  | 55.44              | -              |
|   | <b>55.44</b>       | <b>-</b>       |
| <b>d) Deposits with original maturity of more than three months but less than twelve months</b>                   |                    |                |
| HDFC Bank   | 33.70              | 25.00          |
| IndusInd Bank   | 15.00              | 55.00          |
| RBL Bank  | 8.00               | 26.11          |
|   | <b>56.70</b>       | <b>106.11</b>  |
| <b>e) Balances held as margin money or security against borrowings or guarantees for less than twelve months</b>  |                    |                |
| Indian Bank   | 0.02               | 0.04           |
|   | <b>0.02</b>        | <b>0.04</b>    |
| <b>f) Balances held as margin money or security against guarantees for more than twelve months (Refer Note 9)</b> |                    |                |
| Citibank  | 0.04               | 0.04           |
| Kotak Mahindra Bank   | -                  | 0.08           |
|   | <b>0.04</b>        | <b>0.12</b>    |
| <b>g) Deposits with financial institutions (Refer Note 9)</b>   |                    |                |
| Bajaj Finance Limited   | 55.00              | 55.00          |
| HDFC Limited  | -                  | 105.00         |
|   | <b>55.00</b>       | <b>160.00</b>  |
| <b>h) Total cash and cash equivalent (a+b+c)</b>  | <b>101.44</b>      | <b>16.90</b>   |
| <b>i) Total other bank balances with maturity more than three months but less than twelve months (d+e)</b>        | <b>56.72</b>       | <b>106.15</b>  |

**Tejas Networks Limited**

**Notes to the unaudited consolidated financial statements for the period ended September 30, 2019**

**Note No. 8: Loans**

| Particulars  | As at              |                    |
|--|--------------------|--------------------|
|  | September 30, 2019 | March 31, 2019     |
| <b>Non-current</b>                                   |                    |                    |
| <i>At amortised cost</i>                             |                    |                    |
| Loans considered good - secured                      | -                  | -                  |
| Loans considered good - unsecured                    |                    |                    |
| Security deposits                                    | 5.65               | 4.47               |
| Loans which have significant increase in credit risk | -                  | -                  |
| Loans - credit impaired                              | -                  | -                  |
|  | <u>5.65</u>        | <u>4.47</u>        |
| Less: Provision                                      | (0.09)             | (0.09)             |
| <b>Total non-current loans</b>                       | <b><u>5.56</u></b> | <b><u>4.38</u></b> |
| <b>Current</b>                                       |                    |                    |
| <i>At amortised cost</i>                             |                    |                    |
| Loans considered good - secured                      | -                  | -                  |
| Loans considered good - unsecured                    |                    |                    |
| Security deposits                                    | -                  | 0.08               |
| Loans to employees                                   | 1.38               | 0.87               |
| Loans which have significant increase in credit risk | -                  | -                  |
| Loans - credit impaired                              | -                  | -                  |
| <b>Total current loans</b>                           | <b><u>1.38</u></b> | <b><u>0.95</u></b> |

**Note No. 9: Other Financial Assets**

| Particulars  | As at               |                      |
|--|---------------------|----------------------|
|  | September 30, 2019  | March 31, 2019       |
| <b>Non-current financial assets</b>                          |                     |                      |
| Deposits with original maturity of more than twelve months   |                     |                      |
| Balances held as margin money or security against guarantees | 0.04                | 0.12                 |
| <b>Total non-current financial assets</b>                    | <b><u>0.04</u></b>  | <b><u>0.12</u></b>   |
| <b>Current financial assets</b>                              |                     |                      |
| Deposits with financial institutions                         | 55.00               | 160.00               |
| Unbilled Revenue   | 9.71                | 10.58                |
| Interest accrued but not due                                 | 4.25                | 9.86                 |
| <b>Total current financial assets</b>                        | <b><u>68.96</u></b> | <b><u>180.44</u></b> |

Tejas Networks Limited

Notes to the unaudited consolidated financial statements for the period ended September 30, 2019

**Note No. 10: Tax assets**

| Particulars   | As at              |                |
|---|--------------------|----------------|
|   | September 30, 2019 | March 31, 2019 |
| <b>10(a) Income Tax Asset</b>   |                    |                |
| Advance Income Tax (net)  | 43.70              | 36.92          |
|   | <b>43.70</b>       | <b>36.92</b>   |
| <b>10(b) Deferred Tax Assets</b>  |                    |                |
| The balance comprises temporary differences attributable to:  |                    |                |
| Provisions allowable on payment basis   | 4.73               | 4.73           |
| Difference between carrying amount of property, plant and equipment in books and the income tax return      | 6.25               | 6.25           |
| Difference on account of adoption of Ind AS 116   | 2.06               | -              |
| Unabsorbed depreciation   | 16.95              | 16.95          |
| Unutilised accumulated expenditure on Scientific research u/s 35 (2AB) ('Accumulated 35 (2AB) expenditure') | 109.65             | 110.07         |
| <b>Total</b>  | <b>139.64</b>      | <b>138.00</b>  |

**Note No. 11: Other assets**

| Particulars  | As at              |                |
|--|--------------------|----------------|
|  | September 30, 2019 | March 31, 2019 |
| <b>Other non-current assets</b>                                |                    |                |
| Prepaid expenses   | 0.05               | 0.14           |
| <b>Total other non-current assets</b>                          | <b>0.05</b>        | <b>0.14</b>    |
| <b>Other current assets</b>                                    |                    |                |
| Advances to suppliers  | 16.98              | 19.25          |
| Advances others  | 0.39               | 0.01           |
| Balances with government authorities (other than income taxes) | 15.77              | 5.97           |
| Prepaid expenses   | 1.75               | 2.68           |
| <b>Total other current assets</b>                              | <b>34.89</b>       | <b>27.91</b>   |

**Note No. 12: Inventories**

| Particulars   | As at              |                |
|---|--------------------|----------------|
|   | September 30, 2019 | March 31, 2019 |
| Raw material - components including assemblies and sub-assemblies (including goods in transit Rs. 2.77 (March 31, 2019: Rs. 1.64) | 258.22             | 181.39         |
| <b>Total Inventories</b>  | <b>258.22</b>      | <b>181.39</b>  |

**Tejas Networks Limited**

**Notes to the unaudited consolidated financial statements for the period ended September 30, 2019**

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

**Note No. 13: Equity Share Capital**

| Particulars  | Number of Shares          | Equity share capital  |
|--|---------------------------|-----------------------|
| <b>Authorised Capital</b>  |                           |                       |
| Equity Share Capital of Rs. 10/- each  |                           |                       |
| <b>As at April 01, 2018</b>  | <b>17,64,52,000</b>       | <b>176.45</b>         |
| Changes in equity share capital during the year  |                           |                       |
| Increase during the year   | -                         | -                     |
| <b>As at March 31, 2019</b>  | <b>17,64,52,000</b>       | <b>176.45</b>         |
| Changes in equity share capital during the year  |                           |                       |
| Increase during the year   | -                         | -                     |
| <b>As at September 30, 2019</b>  | <b>17,64,52,000</b>       | <b>176.45</b>         |
| <b>Issued, Subscribed and Paid up Capital</b>  |                           |                       |
| Equity Share Capital of Rs. 10/- each  |                           |                       |
| <b>Fully paid shares</b>   |                           |                       |
| <b>As at April 1, 2018</b>   | <b>9,08,18,760</b>        | <b>90.82</b>          |
| Changes in equity share capital during the year  |                           |                       |
| Issue of equity shares under employee share option plan and restricted stock unit plan | 9,00,819                  | 0.90                  |
| <b>As at March 31, 2019</b>  | <b>9,17,19,579</b>        | <b>91.72</b>          |
| Changes in equity share capital during the year  |                           |                       |
| Issue of equity shares under employee share option plan and restricted stock unit plan | 4,00,990                  | 0.40                  |
| <b>As at September 30, 2019</b>  | <b>9,21,20,569</b>        | <b>92.12</b>          |
| <b>Forfeited shares (to the extent of amount paid up)*</b>                             |                           |                       |
| <b>As at April 1, 2018</b>   | <b>3,27,27,930</b>        | <b>3.27</b>           |
| Transaction during the year  | -                         | -                     |
| <b>As at March 31, 2019</b>  | <b>3,27,27,930</b>        | <b>3.27</b>           |
| Transaction during the year  | -                         | -                     |
| <b>As at September 30, 2019</b>  | <b>3,27,27,930</b>        | <b>3.27</b>           |
|  | <b>As at</b>              |                       |
|  | <b>September 30, 2019</b> | <b>March 31, 2019</b> |
| <b>Total Equity Share Capital</b>  | <b>95.39</b>              | <b>94.99</b>          |

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

**Tejas Networks Limited****Notes to the unaudited consolidated financial statements for the period ended September 30, 2019**

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

**Note No. 14: Other Equity**

| Particulars                                     | As at              |                 |
|---|--------------------|-----------------|
|   | September 30, 2019 | March 31, 2019  |
| Securities premium                              | 936.48             | 931.17          |
| Retained earnings                               | 252.38             | 266.49          |
| Employee stock compensation outstanding account | 30.47              | 27.02           |
| Foreign Currency Translation Reserve            | 0.93               | 0.57            |
| <b>Total Other Equity</b>                       | <b>1,220.26</b>    | <b>1,225.25</b> |

**(i) Securities premium**

| Particulars                                | As at              |                |
|--|--------------------|----------------|
|  | September 30, 2019 | March 31, 2019 |
| Opening Balance                            | 931.17             | 922.08         |
| Premium received upon exercise of ESOP     | 1.93               | 5.87           |
| Premium recognised on exercise of ESOP/RSU | 3.38               | 3.22           |
| <b>Closing Balance</b>                     | <b>936.48</b>      | <b>931.17</b>  |

**(ii) Retained earnings**

| Particulars   | As at              |                |
|---|--------------------|----------------|
|   | September 30, 2019 | March 31, 2019 |
| Opening Balance   | 266.49             | 120.97         |
| Profit for the year   | 1.47               | 147.24         |
| <i>Items of other comprehensive income recognised directly in retained earnings</i> |                    |                |
| Remeasurements of the post employment benefit obligation                            | 0.19               | (1.72)         |
| Impact on account of adoption of Ind AS 116   | (4.69)             | -              |
| Dividend (including Tax on dividend)  | (11.08)            | -              |
| <b>Closing Balance</b>  | <b>252.38</b>      | <b>266.49</b>  |

**(iii) Employee stock compensation outstanding account**

| Particulars   | As at              |                |
|---|--------------------|----------------|
|   | September 30, 2019 | March 31, 2019 |
| Opening Balance   | 27.02              | 15.14          |
| Share based payment expenses                              | 6.83               | 15.10          |
| Transferred to securities premium on exercise of ESOP/RSU | (3.38)             | (3.22)         |
| <b>Closing Balance</b>                                    | <b>30.47</b>       | <b>27.02</b>   |

**(iv) Foreign Currency Translation Reserve**

| Particulars                   | As at              |                |
|-------------------------------|--------------------|----------------|
|                               | September 30, 2019 | March 31, 2019 |
| Opening Balance               | 0.57               | (0.20)         |
| Transaction during the period | 0.36               | 0.77           |
| <b>Closing Balance</b>        | <b>0.93</b>        | <b>0.57</b>    |

**Tejas Networks Limited**

**Notes to the unaudited consolidated financial statements for the period ended September 30, 2019**

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

**Note No. 15: Non-current Borrowings**

| Particulars   | As at              |                |
|---|--------------------|----------------|
|   | September 30, 2019 | March 31, 2019 |
| Unsecured Financial support under Technology Development & Demonstration Programme (TDDP) of DSIR Repayable in the form of annual Royalties @ 26% of total grant received for a period of 5 years from the date of commercialization. | 1.24               | 1.19           |
| Less: Current maturities of long term debt (Refer Note 19)  | 1.24               | 1.19           |
| <b>Total borrowings</b>   | <b>-</b>           | <b>-</b>       |

**Note No. 16: Lease Liabilities**

| Particulars              | As at              |                |
|--------------------------|--------------------|----------------|
|                          | September 30, 2019 | March 31, 2019 |
| <b>Non-Current</b>       |                    |                |
| Lease Liabilities        | 24.89              | -              |
| <b>Total non-current</b> | <b>24.89</b>       | <b>-</b>       |
| <b>Current</b>           |                    |                |
| Lease Liabilities        | 5.73               | -              |
| <b>Total current</b>     | <b>5.73</b>        | <b>-</b>       |

**Note No. 17: Provisions**

| Particulars                         | As at              |                |
|-------------------------------------|--------------------|----------------|
|                                     | September 30, 2019 | March 31, 2019 |
| <b>Non-current provisions</b>       |                    |                |
| Other provisions                    |                    |                |
| Warranty                            | 0.91               | 1.75           |
| <b>Total non-current provisions</b> | <b>0.91</b>        | <b>1.75</b>    |
| <b>Current provisions</b>           |                    |                |
| Provision for employee benefits     |                    |                |
| Compensated absences*               | 5.07               | 4.91           |
| Gratuity                            | 0.74               | -              |
| Other provisions                    |                    |                |
| Warranty                            | 3.91               | 3.23           |
| <b>Total current provisions</b>     | <b>9.72</b>        | <b>8.14</b>    |

\* The amount of provision of Rs. 5.07 (March 31, 2019 Rs. 4.91) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

**Tejas Networks Limited****Notes to the unaudited consolidated financial statements for the period ended September 30, 2019**

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

**Note No. 18: Trade Payables**

| Particulars  | As at              |                |
|--|--------------------|----------------|
|  | September 30, 2019 | March 31, 2019 |
| Total outstanding dues of micro enterprises and small enterprises                      | 25.19              | 26.83          |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 131.75             | 136.70         |
| <b>Total trade payables</b>  | <b>156.94</b>      | <b>163.53</b>  |

**Note No. 19: Other Financial Liabilities**

| Particulars  | As at              |                |
|--|--------------------|----------------|
|  | September 30, 2019 | March 31, 2019 |
| <b>Current</b>                                       |                    |                |
| Current maturities of long-term debt (Refer Note 15) | 1.24               | 1.19           |
| Due to employees                                     | 10.96              | 32.74          |
| Capital Creditors                                    | 3.57               | 8.62           |
| Accrual for expenses                                 | 35.24              | 38.97          |
| Unpaid dividend                                      | 0.04               | -              |
| Other liabilities                                    | 0.09               | 0.20           |
| <b>Total other financial liabilities</b>             | <b>51.14</b>       | <b>81.72</b>   |

**Note No. 20: Other Current Liabilities**

| Particulars                            | As at              |                |
|--|--------------------|----------------|
|  | September 30, 2019 | March 31, 2019 |
| Advances received from customers       | 0.60               | 0.58           |
| Deferred revenue                       | 1.88               | 3.39           |
| Statutory dues                         | 3.48               | 5.93           |
| <b>Total other current liabilities</b> | <b>5.96</b>        | <b>9.90</b>    |

**Note No. 21: Revenue from Operations**

| Particulars  | Quarter ended         |               | Period ended          |                       | Year ended<br>March 31, 2019 |                       |
|--|-----------------------|---------------|-----------------------|-----------------------|------------------------------|-----------------------|
|  | September 30,<br>2019 | June 30, 2019 | September 30,<br>2018 | September 30,<br>2019 |                              | September 30,<br>2018 |
| <b>Revenue from contract with customers</b>                                      |                       |               |                       |                       |                              |                       |
| Sale of goods (including excise duty where applicable)                           |                       |               |                       |                       |                              |                       |
| Manufactured goods - Optical and Data Networking products including multiplexers | 68.32                 | 146.78        | 183.85                | 215.10                | 407.21                       | 817.45                |
| Component sales  | 2.33                  | 5.28          | 4.34                  | 7.61                  | 8.13                         | 23.59                 |
|  | 70.65                 | 152.06        | 188.19                | 222.71                | 415.34                       | 841.04                |
| Rendering of services  |                       |               |                       |                       |                              |                       |
| Installation and commissioning revenue   | 7.46                  | 2.65          | 2.67                  | 10.11                 | 4.07                         | 15.75                 |
| Annual maintenance revenue   | 7.30                  | 6.93          | 12.00                 | 14.23                 | 18.26                        | 33.52                 |
| Other service revenue  | 2.01                  | 0.25          | 3.69                  | 2.26                  | 4.24                         | 7.60                  |
|  | 16.77                 | 9.83          | 18.36                 | 26.60                 | 26.57                        | 56.87                 |
| Other operating income   |                       |               |                       |                       |                              |                       |
| Export Incentive   | -                     | -             | 0.48                  | -                     | 0.95                         | 2.41                  |
|  | -                     | -             | 0.48                  | -                     | 0.95                         | 2.41                  |
| <b>Total revenue from operations</b>   | <b>87.42</b>          | <b>161.89</b> | <b>207.03</b>         | <b>249.31</b>         | <b>442.86</b>                | <b>900.32</b>         |

**Note No. 22: Other Income**

| Particulars   | Quarter ended         |               | Period ended          |                       | Year ended<br>March 31, 2019 |                       |
|---|-----------------------|---------------|-----------------------|-----------------------|------------------------------|-----------------------|
|   | September 30,<br>2019 | June 30, 2019 | September 30,<br>2018 | September 30,<br>2019 |                              | September 30,<br>2018 |
| Interest income from banks on deposits  | 2.80                  | 3.50          | 6.71                  | 6.30                  | 14.01                        | 24.15                 |
| Gain on current investment carried at fair value through statement of profit and loss             | (0.01)                | (0.17)        | 0.17                  | (0.18)                | 0.09                         | 0.32                  |
| Gain on sale of current investment carried at fair value through statement of profit and loss     | 0.39                  | 1.82          | 0.41                  | 2.21                  | 1.57                         | 4.15                  |
| Unwinding of discount on fair valuation of financial assets                                       | 0.02                  | 0.07          | 0.90                  | 0.09                  | 1.86                         | 3.59                  |
| Net gain on foreign currency transactions and translation (other than considered as finance cost) | 0.85                  | -             | 0.92                  | 0.85                  | 0.92                         | 0.56                  |
| Export Incentive  | 1.37                  | 1.12          | -                     | 2.49                  | -                            | -                     |
| Other non-operating income  |                       |               |                       |                       |                              |                       |
| Recovery of Focus Product Scheme (FPS) Receivable earlier written off as not recoverable          | -                     | -             | -                     | -                     | -                            | 3.00                  |
| Bad debts recovered   | -                     | 0.20          | 1.56                  | 0.20                  | 1.56                         | -                     |
| Profit on sale of property, plant and equipment   | -                     | 0.02          | 0.03                  | 0.02                  | 0.03                         | -                     |
| Miscellaneous income  | 1.47                  | 0.49          | 0.17                  | 1.96                  | 0.48                         | 0.92                  |
| <b>Total other income</b>   | <b>6.89</b>           | <b>7.05</b>   | <b>10.87</b>          | <b>13.94</b>          | <b>20.52</b>                 | <b>36.69</b>          |

**Note No. 23: Cost of Materials Consumed**

| Particulars                       | Quarter ended         |               | Period ended          |                       | Year ended<br>March 31, 2019 |                       |
|-----------------------------------|-----------------------|---------------|-----------------------|-----------------------|------------------------------|-----------------------|
|                                   | September 30,<br>2019 | June 30, 2019 | September 30,<br>2018 | September 30,<br>2019 |                              | September 30,<br>2018 |
| Opening stock                     | 221.51                | 181.39        | 166.48                | 181.39                | 190.89                       | 190.89                |
| Add: Purchases                    | 71.93                 | 133.94        | 110.11                | 205.87                | 197.34                       | 454.20                |
|                                   | 293.44                | 315.34        | 276.59                | 387.26                | 388.23                       | 645.09                |
| Less: Closing stock               | 258.22                | 221.51        | 165.40                | 258.22                | 165.40                       | 181.39                |
| <b>Cost of materials consumed</b> | <b>35.22</b>          | <b>93.82</b>  | <b>111.19</b>         | <b>129.04</b>         | <b>222.83</b>                | <b>463.70</b>         |

**Note No. 24: Employee Benefit Expense**

| Particulars  | Quarter ended         |               | Period ended          |                       | Year ended<br>March 31, 2019 |                       |
|--|-----------------------|---------------|-----------------------|-----------------------|------------------------------|-----------------------|
|  | September 30,<br>2019 | June 30, 2019 | September 30,<br>2018 | September 30,<br>2019 |                              | September 30,<br>2018 |
| Salaries and wages, including performance incentives | 33.27                 | 38.02         | 39.42                 | 71.29                 | 77.61                        | 158.17                |
| Contribution to provident and pension funds          | 1.71                  | 1.69          | 1.51                  | 3.40                  | 2.97                         | 6.06                  |
| Gratuity expenses                                    | 0.56                  | 0.37          | 0.04                  | 0.93                  | 0.83                         | 1.72                  |
| Employee share based payment expenses                | 3.67                  | 3.16          | 2.49                  | 6.83                  | 7.80                         | 15.10                 |
| Staff welfare expenses                               | 1.05                  | 1.23          | 1.24                  | 2.28                  | 2.54                         | 5.04                  |
|  | 40.26                 | 44.47         | 44.70                 | 84.73                 | 91.75                        | 186.09                |
| Less: Capitalized during the year [Refer Note 4(b)]  | 17.69                 | 18.01         | 14.89                 | 35.70                 | 29.38                        | 62.43                 |
| <b>Total employee benefit expenses</b>               | <b>22.57</b>          | <b>26.46</b>  | <b>29.81</b>          | <b>49.03</b>          | <b>62.37</b>                 | <b>123.66</b>         |

**Note No. 25: Finance Cost**

| Particulars   | Quarter ended         |               | Period ended          |                       | Year ended<br>March 31, 2019 |                       |
|---|-----------------------|---------------|-----------------------|-----------------------|------------------------------|-----------------------|
|   | September 30,<br>2019 | June 30, 2019 | September 30,<br>2018 | September 30,<br>2019 |                              | September 30,<br>2018 |
| Interest expense  |                       |               |                       |                       |                              |                       |
| (i) Borrowings  | -                     | -             | 0.42                  | -                     | 1.05                         | 3.49                  |
| (ii) Unwinding of discount on fair valuation of financial liabilities | 0.91                  | 0.80          | 0.17                  | 1.71                  | 0.34                         | 0.68                  |
| Other finance cost  | 1.60                  | 2.64          | 3.48                  | 4.24                  | 6.00                         | 12.83                 |
| <b>Total finance cost</b>   | <b>2.51</b>           | <b>3.44</b>   | <b>4.07</b>           | <b>5.95</b>           | <b>7.39</b>                  | <b>17.00</b>          |



## Tejas Networks Limited

## Notes to the unaudited consolidated financial statements for the period ended September 30, 2019

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

**Note No. 26: Other Expenses**

| Particulars   | Quarter ended |               |               | Period ended  |               | Year ended<br>March 31, 2019 |
|---|---------------|---------------|---------------|---------------|---------------|------------------------------|
|   | September 30, | June 30, 2019 | September 30, | September 30, | September 30, |                              |
|   | 2019          |               | 2018          | 2019          | 2018          |                              |
| Installation and commissioning expenses   | 3.50          | 1.24          | 2.61          | 4.74          | 4.81          | 18.05                        |
| Other processing charges  | 0.39          | 0.76          | 0.91          | 1.15          | 1.46          | 3.02                         |
| Power and fuel  | 1.40          | 1.33          | 1.24          | 2.73          | 2.58          | 5.02                         |
| Housekeeping and security   | 0.69          | 0.53          | 0.57          | 1.22          | 1.17          | 2.23                         |
| Lease rentals   | 0.66          | 0.57          | 1.95          | 1.23          | 3.98          | 8.52                         |
| Repairs and maintenance - machinery   | 0.09          | 0.07          | 0.13          | 0.16          | 0.28          | 0.47                         |
| Repairs and maintenance - others  | 0.44          | 0.28          | 0.44          | 0.72          | 0.76          | 2.37                         |
| Sub-contractor charges  | 2.97          | 3.12          | 2.75          | 6.09          | 4.88          | 11.08                        |
| Insurance   | 0.19          | 0.20          | 0.10          | 0.39          | 0.19          | 0.48                         |
| Rates and taxes   | (0.01)        | -             | 0.04          | (0.01)        | 0.23          | (0.50)                       |
| Communication   | 0.34          | 0.29          | 0.27          | 0.63          | 0.62          | 1.25                         |
| Royalty   | 0.02          | 0.04          | 0.33          | 0.06          | 0.62          | 0.61                         |
| Travelling and conveyance   | 3.59          | 3.67          | 3.38          | 7.26          | 8.09          | 18.26                        |
| Printing and stationery   | 0.10          | 0.10          | 0.11          | 0.20          | 0.16          | 0.32                         |
| Freight and forwarding  | 0.68          | 0.39          | (0.74)        | 1.07          | (0.65)        | 1.45                         |
| Sales expenses  | 0.01          | 0.01          | 0.06          | 0.02          | 0.87          | 1.28                         |
| Sales commission  | 2.35          | 1.44          | 2.92          | 3.79          | 4.37          | 13.19                        |
| Business promotion  | 0.59          | 0.28          | 0.47          | 0.87          | 0.85          | 2.25                         |
| Director sitting fees   | 0.04          | 0.03          | 0.04          | 0.07          | 0.06          | 0.12                         |
| Director commission   | -             | -             | -             | -             | -             | 0.38                         |
| Legal and professional  | 2.21          | 1.82          | 3.39          | 4.03          | 6.99          | 14.70                        |
| Auditors remuneration and out-of-pocket expenses  |               |               |               |               |               |                              |
| As auditors   | 0.18          | 0.24          | 0.07          | 0.42          | 0.18          | 0.70                         |
| Auditors out-of-pocket expenses   | -             | -             | -             | -             | 0.03          | 0.06                         |
| Net loss on foreign currency transactions and translation (other than considered as finance cost) | (0.69)        | 0.73          | 0.02          | 0.04          | 0.74          | -                            |
| Focus Product Scheme (FPS) receivable written off   | -             | -             | -             | -             | -             | 4.45                         |
| Less: Provision for FPS receivable released   | -             | -             | -             | -             | -             | (1.28)                       |
| Provision for doubtful advances   | -             | -             | -             | -             | -             | 0.09                         |
| Bad Debts written off   | -             | -             | -             | -             | 4.45          | 0.57                         |
| Less: Provision for doubtful debts released   | -             | -             | -             | -             | (1.28)        | (0.57)                       |
| Provision for doubtful trade and other receivables (net)  | 2.88          | 0.86          | 0.22          | 3.74          | 3.25          | 5.24                         |
| Provision for warranty  | 0.29          | (0.10)        | (0.18)        | 0.19          | (0.14)        | 0.40                         |
| Loss on sale of property, plant and equipment (net)   | -             | -             | 0.07          | -             | 0.07          | 0.03                         |
| Expenditure on corporate social responsibility  | -             | -             | -             | -             | -             | 0.98                         |
| Miscellaneous expenses  | 0.71          | 0.27          | 0.73          | 0.98          | 1.86          | 4.02                         |
|   | 23.62         | 18.17         | 21.90         | 41.79         | 51.48         | 119.24                       |
| Less: Capitalized during the year [Refer Note 4(b)]   | 0.38          | 0.75          | 0.50          | 1.13          | 0.96          | 2.49                         |
| <b>Total other expenses</b>   | <b>23.24</b>  | <b>17.42</b>  | <b>21.40</b>  | <b>40.66</b>  | <b>50.52</b>  | <b>116.75</b>                |

**Note No. 27: Income Tax Expense**

| Particulars                                     | Quarter ended |               |               | Period ended  |               | Year ended<br>March 31, 2019 |
|---|---------------|---------------|---------------|---------------|---------------|------------------------------|
|   | September 30, | June 30, 2019 | September 30, | September 30, | September 30, |                              |
|   | 2019          |               | 2018          | 2019          | 2018          |                              |
| a. Current tax                                  |               |               |               |               |               |                              |
| Tax on profits for the year                     | (1.54)        | 2.20          | 7.91          | 0.66          | 19.52         | 20.61                        |
| Adjustments for tax of prior periods            | -             | -             | -             | -             | -             | (0.98)                       |
| Total current tax expense                       | (1.54)        | 2.20          | 7.91          | 0.66          | 19.52         | 19.63                        |
| b. Deferred tax                                 |               |               |               |               |               |                              |
| Decrease/(increase) in deferred tax assets      | (1.55)        | 2.16          | (5.00)        | 0.61          | (10.00)       | (16.85)                      |
| (Decrease)/increase in deferred tax liabilities | -             | -             | -             | -             | -             | -                            |
| Total deferred tax expense/(benefit)            | (1.55)        | 2.16          | (5.00)        | 0.61          | (10.00)       | (16.85)                      |
| <b>Total Income tax</b>                         | <b>(3.09)</b> | <b>4.36</b>   | <b>2.91</b>   | <b>1.27</b>   | <b>9.52</b>   | <b>2.78</b>                  |